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104TH CONGRESS
1ST SESSION

H. R. 1923

To balance the budget of the United States Government by restructuring Government, reducing Federal spending, eliminating the deficit, limiting bureaucracy, and restoring federalism.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1995

Mr. SOLOMON (for himself, Mr. GOSS, Mr. HANCOCK, Mr. UPTON, Mr. ZELIFF, Mr. NEUMANN, and Mr. ZIMMER) introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, Banking and Financial Services, International Relations, Science, Commerce, Resources, Rules, Transportation and Infrastructure, Agriculture, Small Business, the Judiciary, Ways and Means, Economic and Educational Opportunities, the Budget, Veterans' Affairs, House Oversight, and Intelligence (Permanent Select), 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

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A BILL

To balance the budget of the United States Government by restructuring Government, reducing Federal spending, eliminating the deficit, limiting bureaucracy, and restoring federalism.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS**

2 (a) SHORT TITLE.—This Act may be cited as the
3 ''Restructuring a Limited Government Act''.

4 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents
Sec. 2. Effective date.

TITLE I—NATIONAL DEFENSE

Subtitle A—Restore Defense Spending

Sec. 1001. Conformance with bottom up review.

Subtitle B—Rescission of Funding for Programs Not Requested by the Department of Defense

Sec. 1111. Rescission of funds for general purpose bomb program.
Sec. 1112. Rescission of funds for C–12F aircraft program.
Sec. 1113. Rescission of funds for P–3 upgrade program.

Subtitle C—Limitations on Funding for Certain Programs for Fiscal Year 1996

Sec. 1211. Environmental defense fund.
Sec. 1212. Former Soviet Union threat reduction.

Subtitle D—Department of Defense Administrative Reforms

Sec. 1311. Military severance pay.
Sec. 1312. Restriction on eligibility for aviation career incentive pay.
Sec. 1313. Cancellation of learning resource center program.

Subtitle E—Department of Defense Program Reforms

Sec. 1411. Intelligence community reorganization and personnel reduction.
Sec. 1412. Limitation on procurement of Seawolf submarine program.
Sec. 1413. Required disposal of excess and obsolete materials in National Defense Stockpile.

TITLE II—INTERNATIONAL AFFAIRS

Subtitle A—Reduce Multilateral Development Bank Credit Assistance

Sec. 2001. Reduction of credit assistance by the Export-Import Bank of the United States.
Sec. 2002. Termination of capital contributions to certain multilateral development institutions.
Sec. 2003. Deobligation of certain unexpended foreign economic assistance funds.
Sec. 2004. Reduction in contribution to International Development Association.
Sec. 2005. Reduction of Economic Support Fund assistance.
Sec. 2006. Reduction of bilateral development assistance.
Sec. 2007. Limitation on United States contributions to the United Nations.

Subtitle B—Reduce Foreign Aid Direct Assistance

Sec. 2101. Reduction in assistance for Eastern Europe and the Baltic States.
Sec. 2102. Prohibition on foreign assistance to Russia.

Subtitle C—Reduce Humanitarian Assistance Programs

Sec. 2201. Authorization of appropriations for educational and cultural exchange programs.
Sec. 2202. Peace Corps funding.
Sec. 2203. Assistance for the Middle East.
Sec. 2204. Elimination of Public Law 480 title I and title III programs.
Sec. 2205. Abolition of Foreign Claims Settlement Commission.

Subtitle D—Department Reforms

Sec. 2301. Reduction in overhead expenses of Export-Import Bank.
Sec. 2302. Transfers from exchange stabilization fund to the general fund of the Treasury.

Subtitle E—State Department Reforms

CHAPTER 1—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

Sec. 2401. Abolition of the ACDA; references in part.
Sec. 2402. Repeal of positions and offices.
Sec. 2403. Authorities of the Secretary of State.
Sec. 2404. Authorization of appropriations.
Sec. 2405. Conforming amendments.
Sec. 2406. References in law.
Sec. 2407. Effective date.

CHAPTER 2—UNITED STATES INFORMATION AGENCY

Sec. 2431. Abolition.
Sec. 2432. References in law.
Sec. 2433. Amendments to title 5.
Sec. 2434. Amendments to United States Information and Educational Exchange Act of 1948.
Sec. 2435. Amendments to the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays act).
Sec. 2436. International broadcasting activities.
Sec. 2437. Television broadcasting to Cuba.
Sec. 2438. Radio broadcasting to Cuba.
Sec. 2439. National Endowment for Democracy.
Sec. 2430. United States scholarship program for developing countries.
Sec. 2431. National Security Education Board.
Sec. 2432. Center for cultural and technical interchange between North and South.
Sec. 2433. Center for cultural and technical interchange between East and West.
Sec. 2434. Mission of the Department of State.
Sec. 2435. Consolidation of administrative services.
Sec. 2436. Grants.
Sec. 2437. Ban on domestic activities.
Sec. 2438. Conforming repeal to the Arms Control and Disarmament Act.
Sec. 2439. Repeal relating to procurement of legal services.

Sec. 2440. Repeal relating to payment of subsistence expenses.
Sec. 2441. Conforming amendment to the Seed Act.
Sec. 2442. International Cultural and Trade Center Commission.
Sec. 2443. Other laws referenced in Reorganization Plan No. 2 of 1977.
Sec. 2444. Exchange program with countries in transition from totalitarianism to democracy.
Sec. 2445. Edmund S. Muskie Fellowship Program.
Sec. 2446. Implementation of convention on cultural property.
Sec. 2447. Repeal.
Sec. 2448. United States Advisory Committee for public diplomacy.
Sec. 2449. Effective date.

CHAPTER 3—AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBCHAPTER A—GENERAL PROVISIONS

Sec. 2451. Effective date.
Sec. 2452. References in this chapter.

SUBCHAPTER B—ABOLITION OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO THE SECRETARY OF STATE

Sec. 2455. Abolition of agency for international development and the international development cooperation agency.
Sec. 2456. Transfer of functions to Secretary of State.

SUBCHAPTER C—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS CHAPTER

Sec. 2461. Reorganization plan.
Sec. 2462. Principal officers.

SUBCHAPTER D—CONFORMING AMENDMENTS

Sec. 2465. References.
Sec. 2466. Abolition of office of Inspector General of the agency for international development and transfer of functions to Office of Inspector General of the Department of State.
Sec. 2467. Abolition of Chief Financial Officer of the Agency for International Development and transfer of functions to Chief Financial Officer Department of State.
Sec. 2468. Amendments to title 5, United States Code.
Sec. 2469. Public Law 480 program.

CHAPTER 4—ORGANIZATION OF THE DEPARTMENT OF STATE AND FOREIGN SERVICE

Sec. 2471. Office of the Secretary of State.
Sec. 2472. Under Secretaries.
Sec. 2473. Assistant Secretaries of State.
Sec. 2474. Other State Department positions.
Sec. 2475. Inspector General for Foreign Affairs.
Sec. 2476. Rates of pay.
Sec. 2477. Repeal of previously created State Department positions.
Sec. 2478. Limitation on personnel strength of the Department of State.
Sec. 2479. Consolidation of United States diplomatic missions and consular posts.
Sec. 2480. Detail of other agency personnel to State Department.

Sec. 2481. Report on unification of United States and foreign commercial service and foreign agricultural service within the Foreign Service.

TITLE III—SCIENCE, SPACE, AND TECHNOLOGY

Subtitle A—Administrative and Research Savings

Sec. 3001. Nuclear energy research and development.
Sec. 3002. National Science Foundation Grant application fee.
Sec. 3003. High performance computing program.

Subtitle B—Specific Program Reforms

Sec. 3011. National Science Foundation.
Sec. 3012. Space station.
Sec. 3013. Cancellation of National Aerospace Plane.

TITLE IV—ENERGY

Subtitle A—Abolishment of Department of Energy

Sec. 4001. Short title.

CHAPTER 1—ABOLISHMENT OF DEPARTMENT OF ENERGY

Sec. 4011. Reestablishment of Department as Energy Programs Resolution Agency.
Sec. 4012. Functions.
Sec. 4013. Deputy Administrator.
Sec. 4014. Continuation of service of Department officers.
Sec. 4015. Reorganization.
Sec. 4016. Abolishment of Energy Programs Resolution Agency.
Sec. 4017. GAO report.
Sec. 4018. Conforming amendments.
Sec. 4019. Effective date.

CHAPTER 2—ENERGY LABORATORY FACILITIES

Sec. 4021. Energy Laboratory Facilities Commission.
Sec. 4022. Procedure for making recommendations for laboratory facilities.
Sec. 4023. Reconfiguration, privatization, and closure of energy laboratories.
Sec. 4024. Implementation of reconfiguration, privatization, and closure actions.
Sec. 4025. Account.
Sec. 4026. Reports on implementation.
Sec. 4027. Congressional consideration of Commission report.
Sec. 4028. Definitions.

CHAPTER 3—PRIVATIZATION OF FEDERAL POWER MARKETING ADMINISTRTIONS

Sec. 4031. Short title.
Sec. 4032. Findings.
Sec. 4033. Sale of assets.
Sec. 4034. Time of sales.
Sec. 4035. Rate stabilization for affected consumers.
Sec. 4036. Licensing of projects to preserve current operating conditions.
Sec. 4037. Enabling Federal studies.

Sec. 4038. Definitions.

CHAPTER 4—TRANSFER AND DISPOSAL OF RESERVES

Sec. 4041. Strategic petroleum reserve.
Sec. 4042. Transfer of naval petroleum reserves to Department of the Interior with instructions to sell the reserves.

CHAPTER 5—NATIONAL SECURITY AND ENVIRONMENTAL MANAGEMENT PROGRAMS

Sec. 4051. Definitions.
Sec. 4052. Establishment and organization of Defense Nuclear Programs Agency.
Sec. 4053. Functions of Defense Nuclear Programs Agency.
Sec. 4054. Transfers of functions.
Sec. 4055. Limitation on transfers of funds.
Sec. 4056. Transition provisions.
Sec. 4057. Technical and conforming amendments.
Sec. 4058. Effective date and transition period.
Sec. 4059. Environmental restoration activities at defense nuclear facilities.

CHAPTER 6—DISPOSITION OF MISCELANEOUS PARTICULAR PROGRAMS, FUNCTIONS, AND AGENCIES OF DEPARTMENT

Sec. 4061. Energy research and development.
Sec. 4062. Energy Information Administration.
Sec. 4063. Energy Regulatory Administration.
Sec. 4064. Effective date.

CHAPTER 7—INTERIM WASTE STORAGE

Sec. 4071. Waste site work under Nuclear Waste Policy Act of 1982.
Sec. 4072. Office of civilian radioactive waste management.
Sec. 4073. Interim storage at Federal facility.

CHAPTER 8—MISCELLANEOUS PROVISIONS

Sec. 4081. References.
Sec. 4082. Exercise of authorities.
Sec. 4083. Savings provisions.
Sec. 4084. Transfer of assets.
Sec. 4085. Delegation and assignment.
Sec. 4086. Authority of Office of Management and Budget with respect to functions transferred.
Sec. 4087. Proposed changes in law.
Sec. 4088. Certain vesting of functions considered transfer.
Sec. 4089. Definitions.

Subtitle B—Reform Federal Petroleum Reserve Programs

Sec. 4101. Sale of naval petroleum reserves.
Sec. 4102. Strategic Petroleum Reserve acquisitions.

Subtitle C—Reform Fossil Fuel and Mineral Research Development Programs

Sec. 4201. Privatization of United States enrichment corporation.
Sec. 4202. Research and development.

Sec. 4203. Termination of Clean Coal Technology program.
Sec. 4204. Termination of atomic vapor isotope separation program.

Subtitle D—Reform Energy Conservation Programs

Sec. 4301. Weatherization.
Sec. 4302. State energy conservation program.
Sec. 4303. Institutional conservation.

TITLE V—ENVIRONMENT

Subtitle A—Public Land Use and Purchase Reforms

Sec. 5001. Moratorium on land acquisition by certain agencies.
Sec. 5002. Prohibition on timber sales in units of the National Forest System in which timber sale expenses consistently exceed timber sale revenues.
Sec. 5003. Permanent limitations on amounts authorized to be appropriated for the National Forest System and related agriculture conservation and forestry programs.
Sec. 5004. Hetch hetchy.
Sec. 5005. Mineral leasing of lands within Arctic National Wildlife Refuge.
Sec. 5006. National Park Service user fees and entrance fees.

Subtitle B—Environmental Conservation, Cleanup, and Research Reforms

Sec. 5101. Preference for interim measures in Superfund response actions.
Sec. 5102. Elimination of the conservation reserve program.
Sec. 5103. Elimination of funding for State water pollution control revolving funds.
Sec. 5104. Elimination of funding for watershed and flood prevention operations.
Sec. 5105. Obligation limitation for flood control and coastal emergencies.
Sec. 5106. Obligation limitation for flood control, Mississippi River and tributaries.

Subtitle C—Restructuring of Department of the Interior

Sec. 5201. Limitation on acquisition of lands by Bureau of Land Management.
Sec. 5202. Abolition of Bureau of Mines.
Sec. 5203. Sale of helium processing and storage facility.
Sec. 5204. Abolition of geological survey.
Sec. 5205. Downsizing of Minerals Management Service.
Sec. 5206. Downsizing of Bureau of Reclamation.
Sec. 5207. Consolidation of Bureau of Indian Affairs.
Sec. 5208. Abolition of Office of Territorial and International Affairs.
Sec. 5209. Abolition of National Biological Survey.
Sec. 5210. Hardrock mining royalties.

Subtitle D—Administrative Reform

Sec. 5301. Reduction in overhead expenses of Environmental Protection Agency.

Subtitle E—National Marine Program Reforms

Sec. 5401. Termination of National Coastal Zone Management grants and National Sea Grant College Program Grants.

Sec. 5402. Disposal of National Oceanic and Atmospheric Administration fleet.
Sec. 5403. Rescission of funds available for national oceanic and atmospheric administration procurement and modernization.
Sec. 5404. Rescission of funds available for National Oceanic and Atmospheric Administration Construction.

Subtitle F—Corps of Engineers Reform

Sec. 5501. Reorganization of Corps of Engineers.
Sec. 5502. Obligation limitation for Corps of Engineers construction.
Sec. 5503. Obligation limitation for Corps of Engineers operation and maintenance.
Sec. 5504. Obligation limitation for Corps of Engineers general investigations.

TITLE VI—AGRICULTURE

Subtitle A—Agriculture Research and Extension

Sec. 6001. Consolidation of Agricultural Research Service, Cooperative State Research Service, and Extension Service.
Sec. 6002. Termination of Cooperative Agricultural Extension work in District of Columbia.
Sec. 6003. Rural technology grants.
Sec. 6004. Cap on authorization of appropriations for agricultural telecommunications program.
Sec. 6005. Cap on authorization of appropriations for renewable resources extension program.

Subtitle B—Agricultural Trade

Sec. 6101. Reduction of spending for export marketing and international activities.
Sec. 6102. Elimination of export enhancement program.
Sec. 6103. Reduction of loan guarantee program.
Sec. 6104. Elimination of market promotion program.

Subtitle C—Department of Agriculture Overhead Reduction

Sec. 6201. Reduction in overhead expenses of Department of Agriculture.

Subtitle D—Loan Reform

Sec. 6301. Termination of grant program to assist State mediation programs.

Subtitle F—Crop Commodity Reform

Sec. 6401. Elimination of price support programs for agricultural commodities and related marketing quotas.
Sec. 6402. Eliminating Federal support for honey.

TITLE VII—COMMERCE AND HOUSING CREDIT

Subtitle A—Small Business Adminstration Reform

CHAPTER 1—REORGANIZATION OF SMALL BUSINESS FUNCTIONS

Sec. 7001. Termination of Small Business Administration.
Sec. 7002. Establishment of Office of Small Business Advocacy in Executive Office of the President.

Sec. 7003. Conforming amendments to title 5, United States Code.

CHAPTER 2—REPEALS

Sec. 7010. Repeal of Small Business Act and Small Business Investment Act of 1958.
Sec. 7011. Continued effectiveness of certain functions.
Sec. 7012. Continued applicability of certain provisions.

CHAPTER 3—TRANSFERS

Sec. 7020. Size standards for small business concerns; government procurement programs.
Sec. 7021. Maintenance of national small business economic indices.
Sec. 7022. Transfer of financial obligations owned by Small Business Administration.

CHAPTER 4—GENERAL ADMINISTRATIVE PROVISIONS

Sec. 7030. Transfer of authorities.
Sec. 7031. Organizational entities and offices.
Sec. 7032. Delegation of functions.
Sec. 7033. Rules and regulations.
Sec. 7034. Transfer of fund accounts.

CHAPTER 5—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

Sec. 7040. Transfers.
Sec. 7041. Director of Office of Management and Budget.
Sec. 7042. Savings provisions.
Sec. 7043. Coordination of transfer activities.
Sec. 7044. References.
Sec. 7045. Transitional period.
Sec. 7046. Effective date.

Subtitle B—Housing Credit Reform

Sec. 7101. Elimination of FMHA direct loans for single family homes.
Sec. 7102. Increased fees for FMHA single family housing loan guarantees.
Sec. 7103. Delegation of single family mortgage insuring authority to mortgagees and secondary market entities.

Subtitle C—Abolition of Department of Commerce and Disposition of Particular Programs, Functions, and Agencies

CHAPTER 1—ABOLITION OF DEPARTMENT OF COMMERCE

Sec. 7201. Reestablishment of Department as Commerce Programs Resolution Agency.
Sec. 7202. Functions.
Sec. 7203. Deputy Administrator.
Sec. 7204. Continuation of service of department officers.
Sec. 7205. Reorganization.
Sec. 7206. Abolishment of Commerce Programs Resolution Agency.
Sec. 7207. GAO report.
Sec. 7208. Conforming amendments.
Sec. 7209. Effective date.

CHAPTER 2—DISPOSITION OF PARTICULAR PROGRAMS, FUNCTIONS, AND AGENCIES OF DEPARTMENT OF COMMERCE

Sec. 7231. Economic development.
Sec. 7232. Export control functions.
Sec. 7233. National security functions.
Sec. 7234. International trade functions.
Sec. 7235. Patent and Trademark Office.
Sec. 7236. Technology Administration.
Sec. 7237. Reorganization of the Bureau of the Census.
Sec. 7238. Reorganization of the Bureau of Economic Analysis.
Sec. 7239. Terminated functions of NTIA.
Sec. 7240. Transfer of Spectrum Management functions.
Sec. 7241. National Oceanic and Atmospheric Administration.
Sec. 7242. Miscellaneous abolishments.
Sec. 7243. Effective date.
Sec. 7244. Sense of Congress regarding user fees.

CHAPTER 3—MISCELLANEOUS PROVISIONS

Sec. 7251. References.
Sec. 7252. Exercise of authorities.
Sec. 7253. Savings provisions.
Sec. 7254. Transfer of assets.
Sec. 7255. Delegation and assignment.
Sec. 7256. Authority of Administrator with respect to functions transferred.
Sec. 7257. Proposed changes in law.
Sec. 7258. Certain vesting of functions considered transfers.
Sec. 7259. Definitions.
Sec. 7260. Limitation on annual expenditures for continued functions.

Subtitle D—Banking and Insurance Reforms

CHAPTER 1—BANKING EXAMINATION FEES

Sec. 7301. Bank examination fees.

SUBCHAPTER A—FEDERAL BANKING AGENCY

Sec. 7311. Establishment.
Sec. 7312. Management.
Sec. 7313. Powers and duties.
Sec. 7314. Technical and conforming amendments relating to transfers of functions.

SUBCHAPTER B—ABOLITION OF FEDERAL BANKING AGENCIES

Sec. 7321. Office of comptroller of the currency and position of comptroller of the currency abolished.
Sec. 7322. Office of Thrift Supervision and position of Director of the Office of Thrift Supervision abolished.
Sec. 7323. Savings provisions.
Sec. 7324. References in Federal law to Federal Banking Agencies.

SUBCHAPTER C—SECTION 235 MORTGAGE REFINANCING

Sec. 7325. Section 235 mortgage refinancing.
Sec. 7326. Penalty for early redemption of savings bonds.

Sec. 7327. One dollar coins.
Sec. 7328. Ceasing issuance of one dollar notes.

Subtitle E—Specific Commerce and Housing Program Reforms

Sec. 7401. Obligation limitation for Minority Business Development Agency.
Sec. 7402. United States travel and tourism administration.
Sec. 7403. Export Administration.
Sec. 7404. Assistance for public telecommunications facilities and telecommunications demonstrations.
Sec. 7405. Abolishment of advanced technology program.
Sec. 7406. Fees for Federal and federally sponsored enterprises.
Sec. 7407. Extension of spectrum auction authority of the Federal Communications Commission.
Sec. 7408. Bureau of Census.
Sec. 7409. Copyright Office.

TITLE VIII—TRANSPORTATION

Subtitle A—Air Transportation Program Reform

Sec. 8001. Air Traffic Control Corporation.
Sec. 8002. Obligation limitation for airport improvement program.
Sec. 8003. Termination of essential air service program.
Sec. 8004. Obligation limitation for FAA operations.
Sec. 8005. Repeal of authorizations for the airway science program, collegiate training initiative, and air carrier maintenance technician training facility grant program.
Sec. 8006. Fees for use of slots at high density airports.

Subtitle B—Highway Transportation Program Reform

Sec. 8101. Termination of Interstate Commerce Commission.
Sec. 8102. Customs tonnage fees.
Sec. 8103. Fees for operation of foreign repair stations.
Sec. 8104. Elimination of funding for highway demonstration projects.

Subtitle C—Rail Transportation Program Reform

Sec. 8201. Amtrak.
Sec. 8202. Elimination of funding for maglev prototype development program.
Sec. 8203. Local rail freight assistance.
Sec. 8204. Reduction and modification of boating safety grants.

Subtitle D—Miscellaneous Transportation Program Reform

Sec. 8301. Federal aid for mass transit.

Subtitle E—Administrative Reform

Sec. 8401. Reduction in overhead expenses of Department of Transportation.

TITLE IX—COMMUNITY AND REGIONAL DEVELOPMENT

Subtitle A—Housing Program Reforms

Sec. 9001. Termination of expansion of rural rental housing program.

Subtitle B—Community and Regional Development Program Reforms

Sec. 9101. Elimination of funding for environmental research programs of Tennessee Valley Authority.
Sec. 9102. Elimination of CDBG program.
Sec. 9103. Termination of Economic Development Administration.
Sec. 9104. Termination of Appalachian Regional Commission.
Sec. 9105. Elimination of rural development loan and grant programs.

Subtitle C—Administrative Reforms

Sec. 9201. Operation of Indian programs.
Sec. 9202. Bureau of Indian affairs construction.

TITLE X—EDUCATION AND TRAINING

Subtitle A—Job Training Reform

Sec. 10001. Short title.

CHAPTER 1—BLOCK GRANTS TO STATES

Sec. 10011. Statement of purpose.
Sec. 10012. Authorization.
Sec. 10013. Allocation.
Sec. 10014. Application.
Sec. 10015. Use of amounts.
Sec. 10016. Reports.
Sec. 10017. Reduction or termination of payments under grant.
Sec. 10018. Definitions.
Sec. 10019. Transfer of funds.
Sec. 10020. Authorization of appropriations.

CHAPTER 2—CONSOLIDATION AND REPEAL OF CERTAIN FEDERAL EMPLOYMENT ASSISTANCE PROGRAMS

PART 1—CONSOLIDATION OF PROGRAMS

Sec. 10031. Certain community-based projects regarding health care for the homeless; conforming amendment regarding Public Law 102–321.
Sec. 10032. Certain employment-related programs under Rehabilitation Act of 1973.

PART 2—REPEAL OF PROGRAMS

Sec. 10041. Higher education for students from migrant and seasonal farmworker families.
Sec. 10042. Certain veterans programs.
Sec. 10043. Foster grandparent and senior companion programs and programs under Older Americans Act of 1965.
Sec. 10044. Job Training Partnership Act.
Sec. 10045. Appalachian vocational and other education facilities and operations program.
Sec. 10046. Targeted jobs credit.
Sec. 10047. Service Members Occupational Conversion and Training Act of 1992.
Sec. 10048. Adult education programs.
Sec. 10049. Vocational education programs.
Sec. 10050. National literacy programs.

Sec. 10051. Indian employment, training and related services demonstration program.
Sec. 10052. Special provisions relating to Indian tribes.
Sec. 10053. Literacy corps.
Sec. 10054. Miscellaneous repealers.

Subtitle B—Department Reform

CHAPTER 1—SHORT TITLE; FINDINGS; AND PURPOSE

Sec. 10101. Short title.
Sec. 10102. Findings.
Sec. 10103. Purposes.

CHAPTER 2—ABOLITION OF DEPARTMENT OF EDUCATION

SUBCHAPTER A—TRANSFER OF FUNCTIONS TO OFFICE IN DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 10111. Abolition of Department.
Sec. 10112. Establishment and sunset of office of economic opportunities in the Department of Health and Human Services, and transfer of functions.
Sec. 10113. Principal officers.
Sec. 10114. Continuation of service of Department officer.
Sec. 10115. Reorganization.
Sec. 10116. Plan for winding up affairs.
Sec. 10117. GAO report.
Sec. 10118. Conforming amendments.
Sec. 10119. Effective date.
Sec. 10120. Limitation on expenditures.

CHAPTER 3—EDUCATION PROGRAMS

SUBCHAPTER A—ELEMENTARY AND SECONDARY EDUCATION

PART 1—ELEMENTARY AND SECONDARY EDUCATION BLOCK GRANT PROGRAM

Sec. 10131. Goals of elementary and secondary education block grant program.
Sec. 10132. Program authorized.
Sec. 10133. State eligibility.
Sec. 10134. General State requirements.
Sec. 10135. Amount of State allotment.
Sec. 10136. Local fiscal accountability.
Sec. 10137. Participation of children enrolled in private schools.
Sec. 10138. Definitions.
Sec. 10139. Authorization of appropriations.

PART 2—OTHER ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

Sec. 10141. Amendments and repeals of certain education provisions.

SUBCHAPTER II—CONFORMING AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

Sec. 10142. Amendments to provisions referencing Secretary of Education and Department of Education.
Sec. 10143. Amendments to definitions.

Sec. 10144. Transfer of administering authority to Office of Economic Opportunities.
Sec. 10145. Outreach services for certain institutions of higher education.

SUBCHAPTER III—HIGHER EDUCATION PROGRAMS

PART 1—ELIMINATION AND REDUCTION OF PROGRAMS

Sec. 10151. Repeal of higher education laws.
Sec. 10152. Amendment to the Federal Credit Reform Act.
Sec. 10153. Sale of FDSL loan portfolios.
Sec. 10154. Student loan program; statement of policy.
Sec. 10155. Elimination of in-school interest subsidies.

PART 2—HIGHER EDUCATION BLOCK GRANT

Sec. 10161. Purpose.
Sec. 10162. Distribution of funds.
Sec. 10163. State assurances.
Sec. 10164. Use of funds.
Sec. 10165. Public disclosure.
Sec. 10166. Authorization of appropriations.
Sec. 10167. Definitions.

SUBCHAPTER IV—MISCELLANEOUS PROVISIONS

Sec. 10171. Construction.
Sec. 10172. Regulations.
Sec. 10173. Consolidated application.
Sec. 10174. Appropriations.
Sec. 10175. Federal civil rights.

CHAPTER 4—GENERAL PROVISIONS

Sec. 10181. References.
Sec. 10182. Exercise of authorities.
Sec. 10183. Savings provisions.
Sec. 10184. Transfer of assets.
Sec. 10185. Delegation and assignment.
Sec. 10186. Authority of Office of Management and Budget with respect to functions transferred.
Sec. 10187. Proposed changes in law.
Sec. 10188. Definition of transfer.
Sec. 10189. Definitions.

CHAPTER 5—STATEMENTS OF POLICY

Sec. 10191. Statement of policy regarding Federal education funding.
Sec. 10192. Statement of policy regarding job training programs.
Sec. 10193. Statement of policy regarding Indian education.

Subtitle C—Elementary and Secondary Education Reforms

Sec. 10201. Elimination of impact aid.
Sec. 10202. Eisenhower Regional Mathematics and Science Education Consortia.
Sec. 10203. Limitation on authorizations of appropriations for the Individuals with Disabilities Education Act.

Sec. 10204. Education improvement.
Sec. 10205. Innovative education program strategies.
Sec. 10206. Safe and drug-free schools and communities.
Sec. 10207. Education infrastructure.
Sec. 10208. Inexpensive book distribution.
Sec. 10209. Arts in education.
Sec. 10210. Christa McAuliffe scholarships.
Sec. 10211. Magnet schools assistance.
Sec. 10212. Education for homeless children and youth.
Sec. 10213. Women's educational equity.
Sec. 10214. Training and advisory services.
Sec. 10215. Dropout demonstrations.
Sec. 10216. Training in early childhood education and violence counseling.
Sec. 10217. Charter schools.
Sec. 10218. Authorized activities.
Sec. 10219. Professional development demonstration project.
Sec. 10220. Immigrant education.
Sec. 10221. Education for native Hawaiians.
Sec. 10222. Programs of national significance.
Sec. 10223. Law-related education.
Sec. 10224. Public library construction.
Sec. 10225. National assessment of educational progress.

Subtitle D—Community Program Reforms

Sec. 10301. Repeal of the National Foundation on the Arts and the Humanities Act of 1965.
Sec. 10302. Repeal of National and Community Service Act of 1990, Domestic Volunteer Service Act of 1973, and related provisions.
Sec. 10303. Repeal of the Museum Services Act.
Sec. 10304. Terminate Federal funding for the John F. Kennedy Center for the Performing Arts.
Sec. 10305. Repeal of the Older Americans Community Service Employment Act.
Sec. 10306. Consolidation of certain social service programs.
Sec. 10307. Amendments to the Older Americans Act of 1965.
Sec. 10308. Termination of funding for the Corporation for Public Broadcasting

Subtitle E—Employment Program Reform

Sec. 10401. Termination of general trade adjustment assistance.
Sec. 10402. Extension to all States of rule providing for reduction of social security disability insurance benefits upon receipt of workers' compensation benefits.
Sec. 10403. Service Contract Act of 1965.
Sec. 10404. Reduction in overhead expenses of Department of Labor.

TITLE XI—HEALTH

Subtitle A—Administrative Reform

Sec. 11001. Reduction in overhead expenses of Department of Health and Human Services.

Subtitle B—University Research Regarding Health and Other Matters

Sec. 11101. Federally-supported University research; reduction in rates for indirect costs of research.
Sec. 11102. Reduction in budget of National Institutes of Health.
Sec. 11103. Reduction in health professions budget of health resources and services administration.
Sec. 11104. Closure of Uniformed Services University of the Health Sciences.

Subtitle C—Medicaid Reforms

Sec. 11201. Reduction in Federal payments for disproportionate share hospitals.
Sec. 11202. Imposition of State limits on approved nursing facility beds.
Sec. 11203. Reducing to 50 percent the matching rate for administrative costs under the medicaid program.

Subtitle D—Reforms in Health Care Block Grants

Sec. 11301. Consolidation of certain block grants.
Sec. 11302. Reduction in budget for immunization programs; prohibition regarding warehousing of vaccines.

Subtitle E—Health Care Program Reforms

Sec. 11401. Reduction in budget of agency for health care policy and research.
Sec. 11402. Reduction in budget for programs to treat substance abuse.
Sec. 11403. Abolition of office of the Surgeon General of the Public Health Service

Subtitle F—Federal Employee Health Care Reform

Sec. 11501. Government contribution to the Federal employees health benefits program.

TITLE XII—MEDICARE

Subtitle A—Copayment Reform

Sec. 12001. Imposition of 20 percent coinsurance on home health services.
Sec. 12002. Imposition of 20 percent coinsurance on clinical laboratory services.

Subtitle B—Part B Premium

Sec. 12101. Relating medicare part B premium to income for certain high income individuals.
Sec. 12102. Setting the part B premium at 25 percent of program expenditures permanently.

Subtitle C—Part A Deductible

Sec. 12201. Increase in medicare hospital insurance deductible for certain high-income individuals.

Subtitle D—Medicare Payments to Hospitals

Sec. 12301. Elimination of payments to hospitals for enrollees' bad debts.
Sec. 12302. Reduction in payments for indirect costs of medical education.

Subtitle E—Selected Presidential Medicare Reforms

Sec. 12401. Expansion of centers of excellence.
Sec. 12402. Application of competitive acquisition process for part B items and services.
Sec. 12403. Application of competitive acquisition procedures for laboratory services.
Sec. 12404. Medicare secondary payer changes.
Sec. 12405. Limitations on payment for physicians' services furnished by high-cost hospital medical staffs.
Sec. 12406. Reduction in update for inpatient hospital services.
Sec. 12407. Establishment of cumulative expenditure goals for physician services.
Sec. 12408. Extension of freeze on updates to routine service costs of skilled nursing facilities.
Sec. 12409. Reduction in routine cost limits for home health services.
Sec. 12410. Elimination of formula-driven overpayments for certain outpatient hospital services.

TITLE XIII—INCOME SECURITY

Subtitle A—Administrative Reform

Sec. 13001. Elimination of Department of Housing and Urban Development.

Subtitle B—Housing Program Reforms

Sec. 13101. Elimination of operating subsidies for vacant public housing.
Sec. 13102. Increase of tenant contributions.
Sec. 13103. Reduction of PHA administrative fees for section 8 rental assistance program.

Subtitle C—Supplemental Security Income Reforms

Sec. 13201. More timely reporting of admissions of SSI recipients to nursing homes; $30 limit on SSI benefits for recipients in nursing homes if medicaid pays most of their care costs.
Sec. 13202. Reduced unearned income exclusion under the supplemental security income program.
Sec. 13203. Recovery of SSI overpayments from social security benefits.

Subtitle D—Civil Service Reforms

Sec. 13301. Increase in retirement age under FERS to 65.
Sec. 13302. Deferral until age 62 of cost-of-living adjustments for military retirees who first entered military service on or after January 1, 1996.
Sec. 13303. Provision relating to government contributions to the Thrift Savings Plan.

Subtitle E—Assistance Program Reforms

Sec. 13401. Low-income home energy assistance.
Sec. 13402. Additional requirements for unemployment benefits.
Sec. 13403. Denial of unemployment benefits to individuals who voluntarily leave military service.
Sec. 13404. Increase in variable rate premium charged by the pension benefit guaranty corporation to single-employer plans.

TITLE XIV—PERSONAL RESPONSIBILITY AND FAMILY PRESERVATION

Sec. 14001. Short title.
Sec. 14002. Table of contents.

Subtitle A—Block Grants for Temporary Assistance for Needy Families

Sec. 14100. Sense of the Congress.
Sec. 14101. Block grants to States.
Sec. 14102. Report on data processing.
Sec. 14103. Transfers.
Sec. 14104. Conforming amendments to the Social Security Act.
Sec. 14105. Conforming amendments to other laws.
Sec. 14106. Continued application of current standards under medicaid program.
Sec. 14107. Effective date.

Subtitle B—Child Protection Block Grant Program

Sec. 14201. Establishment of program.
Sec. 14202. Conforming amendments.
Sec. 14203. Continued application of current standards under medicaid program.
Sec. 14204. Effective date.
Sec. 14205. Sense of the Congress regarding timely adoption of children.

Subtitle C—Block Grants for Child Care and for Nutrition Assistance

CHAPTER 1—CHILD CARE BLOCK GRANTS

Sec. 14301. Amendments to the Child Care and Development Block Grant Act of 1990.
Sec. 14302. Repeal of child care assistance authorized by Acts other than the Social Security Act.

CHAPTER 2—FAMILY AND SCHOOL-BASED NUTRITION BLOCK GRANTS

SUBCHAPTER A—FAMILY NUTRITION BLOCK GRANT PROGRAM

Sec. 14321. Amendment to Child Nutrition Act of 1966.

SUBCHAPTER B—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

Sec. 14341. Amendment to National School Lunch Act.

SUBCHAPTER C—MISCELLANEOUS PROVISIONS

Sec. 14361. Repealers.

CHAPTER 3—OTHER REPEALERS AND CONFORMING AMENDMENTS

Sec. 14371. Amendments to laws relating to child protection block grant.

CHAPTER 4—RELATED PROVISIONS

Sec. 14381. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
Sec. 14382. Data on program participation and outcomes.

CHAPTER 5—GENERAL EFFECTIVE DATE; PRESERVATION OF ACTIONS, OBLIGATIONS, AND RIGHTS

Sec. 14391. Effective date.
Sec. 14392. Application of amendments and repealers.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

Sec. 14400. Statements of national policy concerning welfare and immigration.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS PROGRAMS

Sec. 14401. Ineligibility of illegal aliens for certain public benefits programs.
Sec. 14402. Ineligibility of nonimmigrants for certain public benefits programs.
Sec. 14403. Limited eligibility of immigrants for 5 specified Federal public benefits programs.
Sec. 14404. Notification.

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

Sec. 14411. Ineligibility of illegal aliens for State and local public benefits programs.
Sec. 14412. Ineligibility of nonimmigrants for State and local public benefits programs.
Sec. 14413. State authority to limit eligibility of immigrants for State and local means-tested public benefits programs.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

Sec. 14421. Attribution of sponsor's income and resources to family-sponsored immigrants.
Sec. 14422. Requirements for sponsor's affidavit of support.

CHAPTER 4—GENERAL PROVISIONS

Sec. 14431. Definitions.
Sec. 14432. Construction.

CHAPTER 5—CONFORMING AMENDMENTS

Sec. 14441. Conforming amendments relating to assisted housing.

Subtitle E—Food Stamp Reform and Commodity Distribution

Sec. 14501. Short title.

CHAPTER 1—COMMODITY DISTRIBUTION PROVISIONS

Sec. 14511. Short title.
Sec. 14512. Availability of commodities.
Sec. 14513. State, local and private supplementation of commodities.
Sec. 14514. State plan.
Sec. 14515. Allocation of commodities to States.
Sec. 14516. Priority system for State distribution of commodities.
Sec. 14517. Initial processing costs.
Sec. 14518. Assurances; anticipated use.
Sec. 14519. Authorization of appropriations.
Sec. 14520. Commodity supplemental food program.

Sec. 14521. Commodities not income.
Sec. 14522. Prohibition against certain State charges.
Sec. 14523. Definitions.
Sec. 14524. Regulations.
Sec. 14525. Finality of determinations.
Sec. 14526. Sale of commodities prohibited.
Sec. 14527. Settlement and adjustment of claims.
Sec. 14528. Repealers; amendments.

CHAPTER 2—CONSOLIDATING FOOD ASSISTANCE PROGRAMS

Sec. 14541. Food stamp block grant program.
Sec. 14542. Availability of Federal coupon system to States.
Sec. 14543. Definitions.
Sec. 14544. Repealer.

CHAPTER 3—EFFECTIVE DATES AND MISCELLANEOUS PROVISIONS

Sec. 14591. Effective date; application of repealer.
Sec. 14592. Sense of the Congress.
Sec. 14593. Deficit reduction.

Subtitle F—Supplemental Security Income

Sec. 14601. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
Sec. 14602. Supplemental security income benefits for disabled children.
Sec. 14603. Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability.
Sec. 14604. Limitation on payments to Puerto Rico, the Virgin Islands, and Guam under programs of aid to the aged, blind, or disabled.
Sec. 14605. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.
Sec. 14606. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 14607. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 14608. Reapplication requirements for adults receiving SSI benefits by reason of disability.
Sec. 14609. Striking of restrictions regarding determination of ineligibility.
Sec. 14610. Narrowing of SSI eligibility on basis of mental impairments.

Subtitle G—Child Support

Sec. 14700. References.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

Sec. 14701. State obligation to provide child support enforcement services.
Sec. 14702. Distribution of child support collections.
Sec. 14703. Privacy safeguards.

CHAPTER 2—LOCATE AND CASE TRACKING

Sec. 14711. State case registry.
Sec. 14712. Collection and disbursement of support payments.
Sec. 14713. State directory of new hires.

Sec. 14714. Amendments concerning income withholding.
Sec. 14715. Locator information from interstate networks.
Sec. 14716. Expansion of the Federal parent locator service.
Sec. 14717. Collection and use of social security numbers for use in child support enforcement.

CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

Sec. 14721. Adoption of uniform State laws.
Sec. 14722. Improvements to full faith and credit for child support orders.
Sec. 14723. Administrative enforcement in interstate cases.
Sec. 14724. Use of forms in interstate enforcement.
Sec. 14725. State laws providing expedited procedures.

CHAPTER 4—PATERNITY ESTABLISHMENT

Sec. 14731. State laws concerning paternity establishment.
Sec. 14732. Outreach for voluntary paternity establishment.
Sec. 14733. Cooperation by applicants for and recipients of temporary family assistance.

CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

Sec. 14741. Federal matching payments.
Sec. 14742. Performance-based incentives and penalties.
Sec. 14743. Federal and State reviews and audits.
Sec. 14744. Required reporting procedures.
Sec. 14745. Automated data processing requirements.
Sec. 14746. Technical assistance.
Sec. 14747. Reports and data collection by the Secretary.

CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

Sec. 14751. Simplified process for review and adjustment of child support orders.
Sec. 14752. Furnishing consumer reports for certain purposes relating to child support.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

Sec. 14761. Federal income tax refund offset.
Sec. 14762. Authority to collect support from Federal employees.
Sec. 14763. Enforcement of child support obligations of members of the Armed Forces.
Sec. 14764. Voiding of fraudulent transfers.
Sec. 14765. Sense of the Congress that States should suspend drivers', business, and occupational licenses of persons owing past-due child support.
Sec. 14766. Work requirement for persons owing past-due child support.
Sec. 14767. Definition of support order.
Sec. 14768. Liens.
Sec. 14769. State law authorizing suspension of licenses.

CHAPTER 8—MEDICAL SUPPORT

Sec. 14771. Technical correction to ERISA definition of medical child support order.

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

Sec. 14781. Grants to States for access and visitation programs.

CHAPTER 10—EFFECT OF ENACTMENT

Sec. 14791. Effective dates.

CHAPTER 11—MISCELLANEOUS PROVISIONS

Sec. 14801. Scoring.
Sec. 14802. Provisions to encourage electronic benefit transfer systems.

TITLE XV—VETERANS' BENEFITS AND SERVICES

Subtitle A—Administrative Reforms

Sec. 15001. Reduction in overhead expenses of Department of Veterans Affairs.

Subtitle B—Extension of Certain Veterans Programs

Sec. 15011. Permanent extension of authority for copayment charge for medications.
Sec. 15012. Permanent extension of authority for medical care cost recovery.
Sec. 15013. Permanent extension of authority for income verification procedures.
Sec. 15014. Permanent extension of authority for procedures applicable to liquidation sales on defaulted home loans.

Subtitle C—Home Loan Guarantee Program Reforms

Sec. 15021. Restriction on use of multiple VA housing loan guaranty benefits.
Sec. 15022. Extensions of certain authorities relating to housing loans.

Subtitle D—Medical Program Reforms

Sec. 15031. More efficient management and delivery of veterans health care.
Sec. 15032. Closure and conversion of inefficient or underused facilities in veterans' hospitals.
Sec. 15033. Reduction in expenditures for major construction.

Subtitle E—Other Veterans Programs Reforms

Sec. 15041. Elimination of certain sunset dates.
Sec. 15042. Third-party reimbursement.

TITLE XVI—ADMINISTRATION OF JUSTICE

Subtitle A—Authorization of Appropriations

CHAPTER 1—DEPARTMENT OF JUSTICE

Sec. 16001. Authorization of appropriations for the Department of Justice.
Sec. 16002. Reduction in overhead expenses of Department of Justice.

CHAPTER 2—OTHER LAW ENFORCEMENT ENTITIES

Sec. 16011. Authorization of appropriations for the United States Customs Service.

Sec. 16012. Authorization of appropriations for the United States Secret Service.
Sec. 16013. Authorization of appropriations for the Bureau of Alcohol, Tobacco and Firearms.
Sec. 16014. Authorization of appropriations for defender services.

CHAPTER 3—ADMINISTRATIVE REFORMS

Sec. 16021. Improvement of U.S. Marshals Service.

Subtitle B—Prison Reforms

Sec. 16201. Privatization of correctional institutions.
Sec. 16202. Payment of public safety officers.

Subtitle C—Justice Assistance Program Reforms

Sec. 16301. Legal Services Corporation.
Sec. 16302. Surcharge on debts collected by the United States.
Sec. 16303. Terminate Bureau of Justice Assistance.
Sec. 16304. Terminate State Justice Institute.

Subtitle D—Federal Bureau of Investigation Reforms

Sec. 16401. Rescission of funds for FBI fingerprint laboratory in West Virginia.

Subtitle E—Other Justice Program Reforms

Sec. 16501. Authorization of appropriations for the Equal Employment Opportunity Commission.
Sec. 16502. Harbor maintenance fees.

TITLE XVII—GENERAL GOVERNMENT

Subtitle A—Administrave Reforms

Sec. 17001. Reduction in overhead expenses of certain foreign operations activities.
Sec. 17002. Reduction in overhead expenses of Department of the Treasury.
Sec. 17003. Reduction in overhead expenses of Office of Personnel Management.
Sec. 17004. Reduction in overhead expenses of other independent agencies.
Sec. 17005. Termination of Advisory Commission on Intergovernmental Relations.
Sec. 17006. Administrative Conference of the United States.
Sec. 17007. Termination of miscellaneous advisory committees.
Sec. 17008. Termination of Federal information centers.

Subtitle B—Legislative Branch Reductions

Sec. 17101. Reduction in overhead expenses of Executive Office of the President.
Sec. 17102. Formula for determining official mail allowance.
Sec. 17103. Transfer of certain funds prohibited.
Sec. 17104. Temporary suspension of automatic pay adjustments for Members of Congress.

Subtitle C—Executive Branch Reductions

Sec. 17201. Reduction in overhead expenses of Executive Office of the President.
Sec. 17202. SES annual leave accumulation.
Sec. 17203. Limitation relating to political appointees.

Subtitle D—Specific Program Reforms

Sec. 17301. Decrease in Presidential Election Campaign Fund check-off.
Sec. 17302. Moratorium on construction and acquisition of new Federal buildings.
Sec. 17303. Termination of annual direct assistance to Northern Mariana Islands.
Sec. 17304. Government information dissemination and printing improvement.
Sec. 17305. Repeal of transitional appropriations authorization for the post office.

SEC. 2. EFFECTIVE DATE.

Except as otherwise provided, this Act, and the amendments made by this Act, shall take effect on October 1, 1995.

TITLE I—NATIONAL DEFENSE

Subtitle A—Restore Defense Spending

SEC. 1001. CONFORMANCE WITH BOTTOM UP REVIEW.

It is the intent of Congress that funding within the national defense budget function for military readiness programs, quality-of-life programs, and force modernization programs be increased over the level proposed in the most recent future-years defense plan of the Department of Defense by $60,000,000,000, of which—

(1) $37,000,000,000 shall be derived by increasing the total amount for the national defense budget function for fiscal years 1996 through 2000 ($25,000,000,000 of which has already been pro-

posed by the President in defense budget adjustments announced in November 1995); and

(2) $23,000,000,000 shall be derived as an offset from the reductions in defense programs provided in the other provisions of this title.

Subtitle B—Rescission of Funding for Programs Not Requested by the Department of Defense

SEC. 1111. RESCISSION OF FUNDS FOR GENERAL PURPOSE BOMB PROGRAM.

Of the funds made available to the Department of Defense in appropriation Acts for fiscal year 1995 and prior fiscal years, the unobligated balance on the date of the enactment of this Act of the funds provided for the general purpose bomb program is rescinded.

SEC. 1112. RESCISSION OF FUNDS FOR C–12F AIRCRAFT PROGRAM.

Of the funds made available to the Department of Defense in appropriation Acts for fiscal year 1995 and prior fiscal years, the unobligated balance on the date of the enactment of this Act of the funds provided for the C–12F aircraft program is rescinded.

SEC. 1113. RESCISSION OF FUNDS FOR P–3 UPGRADE PROGRAM.

Of the funds made available to the Department of Defense in appropriation Acts for fiscal year 1995 and prior fiscal years, the unobligated balance on the date of the enactment of this Act of the funds provided for the P–3 upgrade program is rescinded.

Subtitle C—Limitations on Funding for Certain Programs for Fiscal Year 1996

SEC. 1211. ENVIRONMENTAL DEFENSE FUND.

The amount appropriated for fiscal year 1996 for environmental defense programs for the Department of Defense may not exceed 50 percent of the amount appropriated for such programs for fiscal year 1995.

SEC. 1212. FORMER SOVIET UNION THREAT REDUCTION.

The amount appropriated for fiscal year 1996 for the Department of Defense for cooperative threat reduction programs with states of the former Soviet Union may not exceed 50 percent of the amount appropriated for such programs for fiscal year 1995.

Subtitle D—Department of Defense Administrative Reforms

SEC. 1311. MILITARY SEVERANCE PAY.

(a) CHANGE IN PAYMENT FORMULA.—Paragraph (1) of section 1174 of title 10, United States Code, is amended—

(1) by striking out paragraph (1) of subsection (d) and inserting in lieu thereof the following:

''(1) the product of (A) the member's years of active service, and (B) the amount equal to 12 times the member's basic military compensation at the time of the member's discharge or release from active duty, divided by 52; or''; and

(2) by adding at the end the following new subsection:

''(j) BASIC MILITARY COMPENSATION.—In this section, the term 'basic military compensation' means the sum of the following elements of compensation for a member of the uniformed services:

''(1) Monthly basic pay payable to the member based upon the member's pay grade and years of service.

''(2) Monthly basic allowance for quarters applicable to the member's pay grade and dependent status.

"(3) Monthly basic allowance for subsistence applicable to the member's pay grade and dependent status.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to persons who become entitled to separation pay under section 1174 of title 10, United States Code, on or after the date of the enactment of this Act.

SEC. 1312. RESTRICTION ON ELIGIBILITY FOR AVIATION CAREER INCENTIVE PAY.

(a) ELIMINATION OF CONTINUOUS MONTHLY INCENTIVE PAY.—Section 301a of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by striking paragraphs (3), (4), and (5); and

(B) by redesignating paragraph (6) as paragraph (3); and

(2) by striking subsection (f).

(b) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply beginning with the first day of the first month after the date of the enactment of this Act.

SEC. 1313. CANCELLATION OF LEARNING RESOURCE CENTER PROGRAM.

Effective October 1, 1995, the Secretary of Defense shall cancel the learning resource center program of the Department of Defense relating to federally funded training for military personnel and civilian employees of the Department.

Subtitle E—Department of Defense Program Reforms

SEC. 1411. INTELLIGENCE COMMUNITY REORGANIZATION AND PERSONNEL REDUCTION.

(a) INTELLIGENCE COMMUNITY REORGANIZATION.—The President shall reorganize the United States Intelligence Community to reduce redundancy and overlapping jurisdiction of intelligence components and to centralize (to the extent determined appropriate by the President) responsibility and authority for intelligence activities.

(b) PERSONNEL REDUCTIONS.—(1) In implementing the reorganization required by subsection (a), the President shall, for each of fiscal years 1996 through 2000, reduce the total number of military and civilian personnel employed by, or assigned or detailed to, elements of the Intelligence Community by not less than 4 percent of the baseline number specified in paragraph (2). The President shall direct how such reductions are to be allocated among the elements of the Intelligence Community.

(2) For purposes of paragraph (1), the baseline number is the total number of military and civilian personnel employed by, or assigned or detailed to, elements of the Intelligence Community as of September 30, 1995.

(3) Reductions in personnel carried out pursuant to this subsection for any fiscal year may also be counted for that fiscal year for purposes of section 907(b) of Public Law 101–510 (104 Stat. 1622).

(4) Functions and personnel may not be reassigned in order to avoid, or reduce the effect of, the reductions required by this subsection. Reductions pursuant to this section in the number of members of the Armed Forces, or the number of civilian personnel, in the Intelligence Community shall be matched with corresponding reductions in the overall number of members of the Armed Forces or of civilian employees of the Government, as the case may be.

(c) INTELLIGENCE COMMUNITY DEFINED.—For purposes of this section, the Intelligence Community consists of those agencies (and elements of agencies) performing intelligence and intelligence-related activities for which funds were authorized to be appropriated in Public Law 103–359.

SEC. 1412. LIMITATION ON PROCUREMENT OF SEAWOLF SUBMARINE PROGRAM.

The Secretary of the Navy may not procure more than one Seawolf (SSN–21) attack submarine. Any funds appropriated before the date of the enactment of this Act and available for procurement of a second or third Seawolf submarine shall be available only for required contract termination costs (if any).

SEC. 1413. REQUIRED DISPOSAL OF EXCESS AND OBSOLETE MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—Except as provided in subsection (b), in order to reduce the quantities of materials in the National Defense Stockpile that are obsolete for military purposes or in excess supply in the stockpile, the President shall dispose of materials in the stockpile in the quantities set forth in the following table:

Required Stockpile Disposals

Obsolete or excess material for disposal	Unit	Quantity
Aluminum Metal	ST	2,082
Aluminum Oxide, Abrasive Grain	ST	50,904
Aluminum Oxide, Abrasive Grain, NSG	ST	118
Aluminum Oxide, Fused Crude	ST	249,867
Analgesics	ama LB	68,703
Antimony	ST	36,011
Antimony, NSG	ST	7
Asbestos, Amosite	ST	34,005
Asbestos, Amosite, NSG	ST	1
Asbestos, Chrysotile	ST	9,787
Asbestos, Chrysotile, NSG	ST	916
Bauxite, Metal Grade, Jamaica & Surinam	LDT	17,757,337
Bauxite, Refractory	LCT	207,067
Beryl Ore	ST	17,729
Beryllium Copper Master Alloy	ST	7,387
Bismuth	LB	1,825,955
Cadmium	LB	6,328,570
Chromite, Chemical & Met. Grade Ore	SDT	1,551,262
Chromite, Chem. & Met. Grade Ore, NSG	SDT	217,441

Required Stockpile Disposals—Continued

Obsolete or excess material for disposal	Unit	Quantity
Chromite, Refractory Grade Ore	SDT	232,414
Chromium, Ferro	ST	475,526
Chromium, Ferro, NSG	ST	18,990
Cobalt	LBCO	12,741,489
Columbium Group, NSG	LB Cb	1,201,725
Copper	ST	29,047
Copper, NSG	ST	604
Diamonds, Industrial, Dies, Small	KT	12,737
Fluorspar, Acid Grade	SDT	892,856
Fluorspar, Acid Grade, NSG	SDT	899
Fluorspar, Metallurgical Grade, NSG	SDT	100,822
Germanium	KG	715
Graphite, Natural, Ceylon, Amorphous Lump, NSG.	ST	53
Graphite, Natural, Malagasy, Crystalline	ST	17,217
Graphite, Natural, Malagasy, Crystalline, NSG	ST	9
Graphite, Natural, Other than Ceylon & Malagasy	ST	1,933
Graphite, Natural, Other, NSG	ST	870
Industrial Diamond Bort	KT	14,020,961
Industrial Diamond Stones	KT	4,777,225
Iodine	LB	6,054,564
Iodine, NSG	LB	1,342
Jewel bearings, NSG	PC	51,778,337
Lead	ST	601,043
Lead, NSG	ST	10
Manganese Ore, Chem. & Met. Grades	SDT	1,853,453
Manganese Ore, Chem. & Met. Grades, NSG	SDT	882,969
Manganese, Battery Grade, Natural Ore	SDT	169,511
Manganese, Battery Grade, Natural Ore, NSG	SDT	19,425
Manganese, Battery Grade, Synthetic Dioxide	SDT	3,011
Manganese, Ferro	ST	786,228
Manganese, Metal, Electrolytic	ST	14,172
Mercury	FL	156,853
Mercury, NSG	FL	3
Mica, Muscovite Film, 1st & 2nd Qualities	LB	1,155,698
Mica, Muscovite Film, 1st & 2nd Qualities, NSG	LB	640
Mica, Muscovite Splittings	LB	14,355,260
Mica, Muscovite, Block, Stained & Better	LB	4,699,701
Mica, Muscovite, Block, Stained & Better, NSG	LB	206,730
Mica, Phlogopite Block, NSG	LB	114,027
Mica, Phlogopite Splittings	LB	1,486,596
Nickel	ST	37,214
Platinum Group Metals, Iridium	Tr Oz	15,136
Platinum Group Metals, Palladium	Tr Oz	1,262,387
Platinum Group Metals, Palladium, NSG	Tr Oz	2,214
Platinum Group Metals, Platinum	Tr Oz	199,247
Platinum Group Metals, Platinum, NSG	Tr Oz	13,043
Quinidine	Av Oz	2,471,359
Quinidine, NSG	Av Oz	1,691
Quinine	Av Oz	2,770,115
Quinine, NSG	Av Oz	475,950
Rutile	ST	39,130
Rutile, NSG	ST	56
Sapphire & Ruby	KT	16,305,502
Sebacic Acid	LB	5,009,697
Silicon Carbide	ST	45,080
Silver	Tr Oz	83,951,492
Talc	ST	1,081
Tantalum Group, NSG	LB Ta	1,152,259
Thorium Nitrate	LB	7,097,687
Tin	MT	165,780
Titanium Sponge, NSG	ST	10,866
Tungsten Group	LB W	27,530,759

Required Stockpile Disposals—Continued

Obsolete or excess material for disposal	Unit	Quantity
Tungsten Group, NSG	LB W	23,805,427
Vanadium Group	STV	721
Vegetable Tannin, Chestnut	LT	11,692
Vegetable Tannin, Quebracho	LT	121,642
Vegetable Tannin, Wattle	LT	14,997
Vegetable Tannin, Wattle, NSG	LT	1
Zinc	ST	378,768

(b) EXCEPTION TO DISPOSAL REQUIREMENTS.—Subsection (a) shall not apply with respect to the disposal of a material set forth in the table in that subsection if the President determines after the date of the enactment of this Act that the material is once again needed for the stockpile.

(c) SPECIAL RULE FOR SILVER.—The disposal of silver under subsection (a) may only occur in the form of coins.

(d) TEN-YEAR PERIOD FOR DISPOSAL.—The President shall complete the disposals of materials required by subsection (a) not later than September 30, 2005.

(e) EXISTING DISPOSAL PROCEDURES.—The disposal of materials under subsection (a) shall be carried out in the manner provided in section 6 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(b)), including the requirement to avoid undue disruption of the usual markets of producers, processors, and consumers of such materials.

(f) USE OF BARTER AUTHORIZED.—The President is authorized to enter into barter arrangements to dispose

of materials required to be disposed of under subsection (a) in order to acquire strategic and critical materials required for the stockpile or to upgrade other strategic and critical materials in the stockpile.

(g) DEPOSIT OF PROCEEDS FROM SALES.—All moneys received from the sale of materials required to be disposed of under subsection (a) shall be deposited in the general fund of the Treasury for the purpose of reducing the Federal budget deficit.

(h) EFFECT ON PREVIOUS DISPOSAL AUTHORITIES.—All authorities of the President or the National Defense Stockpile Manager in effect on the day before the date of the enactment of this Act regarding the disposal of specific quantities of materials in the stockpile are hereby terminated. The following provisions of law are hereby repealed:

(1) Section 3301(a) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 50 U.S.C. 98d note).

(2) Section 3302(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 50 U.S.C. 98d note).

(3) Section 3301 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 50 U.S.C. 98d note).

(i) DEFINITIONS.—For purposes of this section:

(1) The terms ''National Defense Stockpile'' and ''stockpile'' mean the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(2) The term ''NSG'', with regard to a material specified in the table in subsection (a), means non-specification grade material.

TITLE II—INTERNATIONAL AFFAIRS

Subtitle A—Reduce Multilateral Development Bank Credit Assistance

SEC. 2001. REDUCTION OF CREDIT ASSISTANCE BY THE EXPORT-IMPORT BANK OF THE UNITED STATES.

Section 6 of the Export-Import Bank Act of 1945 (12 U.S.C. 635e) is amended by adding at the end the following:

''(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For all costs authorized to be incurred under this Act, there are authorized to be appropriated not to exceed $415,000,000 for each of fiscal years 1996 through 2000.''.

SEC. 2002. TERMINATION OF CAPITAL CONTRIBUTIONS TO CERTAIN MULTILATERAL DEVELOPMENT INSTITUTIONS.

Notwithstanding any other provision of law, funds of the United States shall not be provided, directly or indirectly, to the International Bank for Reconstruction and Development, the Asian Development Bank, the African Development Bank, the International Finance Corporation, the European Bank for Reconstruction and Development, the Inter-American Development Bank, or the African Development Fund.

SEC. 2003. DEOBLIGATION OF CERTAIN UNEXPENDED FOREIGN ECONOMIC ASSISTANCE FUNDS.

(a) REQUIREMENT TO DEOBLIGATE.—Except as provided in subsection (b) and in the second and third sentences of section 617 of the Foreign Assistance Act of 1961 (22 U.S.C. 2367), at the beginning of each fiscal year the President shall deobligate, and return to the Treasury, any foreign economic assistance funds that, as of the end of the preceding fiscal year, have been obligated for a period of more than 3 years but have not been expended.

(b) EXCEPTIONS.—The President, on a case-by-case basis, may waive the requirement of subsection (a) if the President determines, and reports to the appropriate congressional committees, that—

(1) the funds are being used for a construction project that requires more than 3 years to complete; or

(2) the funds have not been expended because of unforeseen circumstances, and those circumstances could not have been reasonably foreseen.

(c) COMMENTS BY AID INSPECTOR GENERAL ON WAIVERS.—As soon as possible after submission of a report pursuant to subsection (b), the Inspector General of the United States Agency for International Development shall submit to the appropriate congressional committees such comments as the Inspector General considers appropriate with regard to the determination described in that report.

(d) DEFINITIONS.—For purposes of this section, the following definitions apply:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on Foreign Affairs 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) ECONOMIC ASSISTANCE.—The term ''economic assistance'' means—

(A) assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) (22 U.S.C. 2151 et seq.), chapter 10 of part I of that Act (relating to the Development Fund for Africa) (22 U.S.C. 2293 et seq.), chapter 11 of part I of that Act (relating to assistance for the independent states of the former Soviet Union) (22 U.S.C. 2295 et seq.), or chapter 4 of part II of that Act (relating to the economic support fund) (22 U.S.C. 2346 et seq.);

(B) assistance under the ''Multilateral Assistance Initiative for the Philippines''; and

(C) assistance under the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

SEC. 2004. REDUCTION IN CONTRIBUTION TO INTERNATIONAL DEVELOPMENT ASSOCIATION.

For each of the fiscal years 1996 through 2000, outlays under the ''International Development Association'' account under the International Development Association Act (22 U.S.C. 284 et seq.) for United States contributions to the International Development Association may not exceed $975,000,000.

SEC. 2005. REDUCTION OF ECONOMIC SUPPORT FUND ASSISTANCE.

For fiscal years 1996 through 2000, outlays under the ''Economic Support Fund'' account under chapter 4 of part II of the Foreign Assistance Act of 1961 may not exceed the following amounts:

(1) FISCAL YEAR 1996.—For fiscal year 1996, outlays shall be at least 10 percent less than outlays for fiscal year 1995.

(2) FISCAL YEAR 1997.—For fiscal year 1997, outlays shall be at least 20 percent less than outlays for fiscal year 1995.

(3) FISCAL YEAR 1998.—For fiscal year 1998, outlays shall be at least 30 percent less than outlays for fiscal year 1995.

(4) FISCAL YEAR 1999.—For fiscal year 1999, outlays shall be at least 40 percent less than outlays for fiscal year 1995.

(5) FISCAL YEAR 2000.—For fiscal year 2000, outlays shall be at least 50 percent less than outlays for fiscal year 1995.

SEC. 2006. REDUCTION OF BILATERAL DEVELOPMENT ASSISTANCE.

For each of the fiscal years 1996 through 2000, outlays under the following provisions of law may not exceed the following amounts:

(1) DEVELOPMENT ASSISTANCE FUND.—Outlays under sections 103 through 106 of the Foreign Assistance Act of 1961 may not exceed $426,000,000.

(2) POPULATION, DEVELOPMENT ASSISTANCE.—Outlays under section 104(b) of such Act may not exceed $225,000,000.

(3) DEVELOPMENT FUND FOR AFRICA.—Outlays under chapter 10 of part I of such Act may not exceed $401,000,000.

SEC. 2007. LIMITATION ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS.

Notwithstanding any other provision of law, the aggregate amount of assessed and voluntary contributions by the United States to the United Nations and its affiliated agencies for any calendar year after 1996 shall not exceed an amount which bears the same ratio to the total budget of the United Nations and its affiliated agencies as the total population of the United States bears to the total population of all the member states of the United Nations.

Subtitle B—Reduce Foreign Aid Direct Assistance

SEC. 2101. REDUCTION IN ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES.

For each of the fiscal years 1996 through 2000, outlays under the ''Assistance for Eastern Europe and the Baltic States'' account under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.) for economic assistance and related programs for Eastern Europe and the Baltic States may not exceed $359,000,000.

SEC. 2102. PROHIBITION ON FOREIGN ASSISTANCE TO RUSSIA.

(a) PROHIBITION.—

(1) IN GENERAL.—Foreign assistance may not be obligated or expended for Russia for any fiscal year unless the President certifies to the Congress for such fiscal year the following:

(A) The President has received satisfactory assurances from the Government of Russia, which have been confirmed by the Director of the Federal Bureau of Investigation, that the intelligence activities of Russia in the United States are confined to what is considered rou-

tine, non-adversarial information gathering activities.

(B) Russia has begun, and is making continual progress toward, the unconditional implementation of the Russian-Moldovan troop withdrawal agreement, signed by the prime ministers of Russia and Moldova on October 21, 1994.

(C) Russia is not providing military assistance to any military forces in the Transdniestra region of Moldova.

(D) Russian troops in the Kaliningrad region of Russia are respecting the sovereign territory of Lithuania and other neighboring countries and such troops are not offensively postured against any other country.

(E) The activities of Russia in the other independent states of the former Soviet Union do not represent an attempt by Russia to violate or otherwise diminish the sovereignty and independence of such states.

(F) Russia is not providing military assistance to any Bosnian Serb military units or combatants or to the Government of the Federal Republic of Yugoslavia.

(G) The Government of Russia has ceased the unilateral demarcation of the border between Russia and Estonia begun in 1994, is engaged in dialogue with the Government of Estonia to resolve this border dispute, and has demonstrated a willingness to submit this issue to international arbitration.

(H) Russia is not providing any intelligence information to Cuba and is not providing any assistance to Cuba with respect to the signal intelligence facility at Lourdes.

(I)(i) Russia is not providing to the countries described in clause (ii) goods or technology, including conventional weapons, which could materially contribute to the acquisition by these countries of chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons.

(ii) The countries described in this subparagraph are Iran, Iraq, Syria, or any country, the government of which the Secretary of State has determined, for purposes of section 6(j)(1) of the Export Administration Act of 1979 (50 U.S.C. app. 2405(6)(j)(1)), has repeatedly pro-

vided support for acts of international terrorism.

(J) Russia is in compliance with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, signed at Washington, London, and Moscow on April 10, 1972 (TIAS 8062).

(K) Russia is in compliance with the 1989 Wyoming Memorandum of Understanding relating to the restriction of chemical weapons.

(L) The Government of Russia is committed to reforming the Russian economy along free-market lines, and is taking concrete steps in this direction.

(2) CERTIFICATIONS FOR FISCAL YEARS 1995 AND 1996.—In addition to the requirements contained in paragraph (1), with respect to each of the fiscal years 1995 and 1996, foreign assistance may not be obligated or expended for Russia unless the President certifies to the Congress for each such fiscal year that the Government of Russia—

(A) has ceased its military offensive in Chechnya and is committed to resolving the

problem of the status of Chechnya through negotiations; and

(B) has provided the President with a full and accurate accounting of the espionage activities relating to the case of Aldrich Hazen Ames of the Central Intelligence Agency and has reimbursed the United States Government for all amounts paid by Russia to Rosario Ames since her arrest in 1994.

(3) REPORT.—The President shall submit to the Congress for each fiscal year a report containing the certifications required by paragraph (1), and with respect to each of the fiscal years 1995 and 1996, paragraphs (1) and (2). Such report shall be submitted in unclassified and classified versions.

(b) ANNUAL REPORTS.—At the beginning of each fiscal year, the President and the Comptroller General of the United States shall each submit to the Congress a report containing the following:

(1) The amount of foreign assistance provided to Russia for the preceding fiscal year, including—

(A) the name of each organization or entity to which such assistance was provided;

(B) the purpose of such assistance; and

(C) an assessment of the effectiveness of such assistance.

(2) A detailed accounting of the amount of foreign assistance appropriated for Russia which has not been expended and the status of such assistance.

(3) An estimate of the total amount of capital exported from Russia during the previous fiscal year and an analysis of the reasons for the export of such capital.

(c) REQUIREMENT TO OPPOSE ASSISTANCE TO RUSSIA FROM INTERNATIONAL FINANCIAL INSTITUTIONS.—The President shall instruct the United States executive director of each international financial institution to use the voice and vote of the United States to oppose any assistance from that financial institution to Russia unless Russia is in compliance with the requirements contained in subsection (a).

(d) DEFINITIONS.—For purposes of this section:

(1) FOREIGN ASSISTANCE.—The term ''foreign assistance'' means assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) or the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5801 et seq.), except that such term does not include—

(A) humanitarian assistance;

(B) educational and cultural exchanges between the United States and Russia;

(C) assistance provided by the National Endowment for Democracy; and

(D) assistance for the purpose of destroying nuclear weapons, chemical weapons, and other weapons, and related assistance.

(2) GOODS OR TECHNOLOGY.—The term ''goods or technology'' has the meaning given such term in section 1608(3) of the Iran-Iraq Arms Non-Proliferation Act of 1992 (50 U.S.C. 1701 note).

(3) INTERNATIONAL FINANCIAL INSTITUTION.—The term ''international financial institution'' means the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Development Association, the International Financial Corporation, or the International Monetary Fund.

(4) OTHER INDEPENDENT STATES OF THE FORMER SOVIET UNION.—The term ''other independent states of the former Soviet Union'' means the following: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lith-

uania, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall apply only with respect to fiscal years beginning on or after the date of the enactment of this Act.

(2) EXCEPTIONS.—In the case of the fiscal year in which this Act is enacted—

(A) the prohibition contained in paragraphs (1) and (2) of subsection (a) shall apply with respect to the obligation or expenditure of foreign assistance on or after the date of the enactment of this Act (including foreign assistance which has been obligated but not expended before the date of the enactment of this Act); and

(B) the requirement contained in subsection (c) shall apply with respect to the provision of assistance by an international financial institution on or after the date of the enactment of this Act.

Subtitle C—Reduce Humanitarian Assistance Programs

SEC. 2201. AUTHORIZATION OF APPROPRIATIONS FOR EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.

Notwithstanding any other provision of law, there are authorized to be appropriated for ''International Educational and Cultural Exchange Programs'' $202,166,000 for fiscal year 1996 and $158,363,000 for each of the fiscal years 1997, 1998, 1999, and 2000.

SEC. 2202. PEACE CORPS FUNDING.

Not more than $219,745,000 may be made available to carry out the Peace Corps Act for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 2203. ASSISTANCE FOR THE MIDDLE EAST.

(a) ASSISTANCE FOR ISRAEL.—

(1) ECONOMIC SUPPORT FUND.—Of the amounts made available for each of the fiscal years 1996 through 2000 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.) (relating to the economic support fund), not less than $1,200,000,000 shall be available only for Israel.

(2) FOREIGN MILITARY FINANCING.—Of the amounts made available for each of the fiscal years

1996 through 2000 for assistance under the ''Foreign Military Financing Program'' account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,800,000,000 shall be available only for Israel.

(b) ASSISTANCE FOR EGYPT.—

(1) ECONOMIC SUPPORT FUND.—Of the amounts made available for each of the fiscal years 1996 through 2000 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.) (relating to the economic support fund), not less than $817,000,000 shall be available only for Egypt.

(2) FOREIGN MILITARY FINANCING.—Of the amounts made available for each of the fiscal years 1996 through 2000 for assistance under the ''Foreign Military Financing Program'' account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,300,000,000 shall be available only for Egypt.

SEC. 2204. ELIMINATION OF PUBLIC LAW 480 TITLE I AND TITLE III PROGRAMS.

(a) CONGRESSIONAL SALES PROGRAM.—Title I of the Agricultural Trade Development Assistance Act of 1954 (7 U.S.C. 1701–1705) is repealed.

(b) FOOD FOR DEVELOPMENT PROGRAM.—Title III of that Act (7 U.S.C. 1727–1727e) is repealed.

(c) CONFORMING AMENDMENTS.—That Act is further amended as follows:

(1) In section 2 by striking paragraphs (3) and (4), by inserting ''and'' at the end of paragraph (2), and by redesignating paragraph (5) as paragraph (3).

(2) In section 401—

(A) in subsection (e)(2) by striking ''section 303 or''; and

(B) by repealing subsection (f).

(3) In section 403—

(A) in subsection (b) by striking ''Secretary or the Administrator, as appropriate,'' and inserting ''Administrator'';

(B) in subsection (c)—

(i) by striking ''Secretary or the Administrator, as appropriate,'' and inserting ''Administrator''; and

(ii) by striking ''or purchased'';

(C) in subsection (d) by striking all that follows ''recipient countries'' and inserting a period;

(D) in subsection (e) by striking ''sales or'';

(E) in subsection (g) by striking ''Secretary or the Administrator, as appropriate,'' and inserting ''Administrator'';

(F) in subsection (h) by striking ''Secretary or'';

(G) in subsection (i) by striking ''Secretary or the Administrator, as appropriate,'' each place it appears and inserting ''Administrator''; and

(H) in subsection (j)(1)—

(i) by striking ''Secretary or the Administrator, as appropriate,'' and inserting ''Administrator''; and

(ii) by striking '', or to finance the sale of agricultural commodities,''.

(4) In section 404—

(A) by repealing subsection (a) and redesignating subsections (b) through (d) as subsections (a) through (c), respectively;

(B) in subsection (a), as so redesignated, by striking paragraphs (2) and (3) and redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively;

(C) by striking ''Secretary or the'' each place it appears; and

(D) by striking '', as appropriate,'' each place it appears.

(5) By repealing section 405.

(6) In section 407—

(A) by repealing subsection (a);

(B) by repealing subsection (b);

(C) in subsection (c)—

(i) by striking ''(c) AGENTS.—'' and all that follows through ''INTEREST.—'' in paragraph (4) and inserting ''(a) AVOIDANCE OF CONFLICT OF INTEREST.—'', and moving the remaining text 2 ems to the left; and

(ii) by striking ''this paragraph'' and inserting ''this subsection'';

(D) in subsection (d)—

(i) by striking ''(d) TITLE II AND III'' and inserting ''(b) TITLE II'';

(ii) in paragraph (1) by striking ''and title III''; and

(iii) in paragraphs (2) and (3) by striking ''titles II and III'' and inserting ''title II'';

(E) in subsection (e)—

(i) by striking ''(e)'' and inserting ''(c)''; and

(ii) by striking ''Secretary or the Administrator, as appropriate,'' and inserting ''Administrator''; and

(F) by repealing subsection (f) and redesignating subsections (g) and (h) as subsections (d) and (e), respectively;

(7) In section 408 by striking ''finance sales or to provide other'' and inserting ''provide''.

(8) By repealing section 410.

(9) In section 411 by repealing subsection (d) and redesignating subsection (e) as subsection (d).

(10) In section 412—

(A) in subsection (a) by striking ''out—'' and all that follows through ''including'' and inserting ''out the emergency and private assistance program under title II, including''; and

(B) by repealing subsections (b) and (c) and by redesignating subsections (d) and (e) as subsections (b) and (c), respectively.

(d) TRANSITION RULE.—Provisions of law repealed by this subsection shall continue to apply with respect to agreements entered into under title I or III of the Agricul-

tural Trade Development and Assistance Act of 1954 before the effective date of this section.

(e) EFFECTIVE DATE.—This section takes effect on October 1, 1995.

SEC. 2205. ABOLITION OF FOREIGN CLAIMS SETTLEMENT COMMISSION.

(a) ABOLITION.—The Foreign Claims Settlement Commission of the United States is abolished.

(b) TRANSFER OF FUNCTIONS.—All functions of the Foreign Claims Settlement Commission are transferred to the Secretary of State.

(c) OTHER TRANSFERS.—Except as otherwise provided in this section, the assets, liabilities, contracts, property, and records employed, held, used, arising from, available to, or to be made available in connection with the functions transferred by this section, shall be transferred to the Secretary of State for appropriate allocation. Any unexpended balance of appropriations or other funds available to the Foreign Claims Settlement Commission before the effective date of this section shall be deposited into the Treasury.

(d) TERMINATION OF POSITIONS.—Each position in the Foreign Claims Settlement Commission shall terminate.

(e) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget shall provide for the termination of the affairs of the Foreign Claims Settlement Commission and for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(f) SAVINGS PROVISIONS.—

(1) CONTINUITY OF LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(A) which have been issued, made, granted, or allowed to become effective by the Foreign Claims Settlement Commission or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this section to the Secretary of State, and

(B) which are in effect at the time this section takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the Secretary of State, or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PENDING PROCEEDINGS.—(A) The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, pending on the effective date of this section before the Foreign Claims Settlement Commission. Such proceedings shall be continued.

(B) Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted. Orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary of State, by a court of competent jurisdiction, or by operation of law.

(C) Nothing in this paragraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(D) The Secretary of State is authorized to promulgate regulations providing for the orderly transfer to the Department of State of proceedings continued under this paragraph.

(3) NO EFFECT ON JUDICIAL PROCEEDINGS.—Except as provided in paragraph (5)—

(A) the provisions of this section shall not affect suits commenced before the effective date of this section, and

(B) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted.

(4) NONABATEMENT OF PROCEEDINGS.—No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of the Foreign Claims Settlement Commission shall abate by reason of the enactment of this section. No cause of action by or against the Foreign Claims Settlement Commission or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this section.

(5) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date on which this section takes effect, the Foreign Claims Settlement Commission, or officer thereof in the official capacity of such officer, is a party to a suit, then such suit shall be continued with the Secretary

of State or other appropriate official of the Department of State substituted or added as a party.

(6) REVIEWABILITY OF ORDERS AND ACTIONS UNDER TRANSFERRED FUNCTIONS.—Orders and actions of the Secretary of State in the exercise of functions transferred under this section shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Foreign Claims Settlement Commission exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function of the Foreign Claims Settlement Commission shall apply to the exercise of such function by the Secretary of State.

(g) REFERENCE.—

(1) FUNCTIONS.—With respect to any function of the Foreign Claims Settlement Commission that is transferred by this section and exercised on or after the effective date of this section, reference in any other Federal law to the Foreign Claims Settlement Commission or any officer or employee thereof shall be deemed to refer to the Secretary of State.

(2) OTHER REFERENCES.—Any reference to the Foreign Claims Settlement Commission, or any

other official of the Foreign Claims Settlement Commission, in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this section shall be deemed to refer and apply to the Secretary of State.

(h) CONFORMING AMENDMENT.—Section 5316 of title 5, United States Code, is amended by striking:

''Chairman, Foreign Claims Settlement Commission of the United States, Department of Justice.''.

(i) EFFECTIVE DATE.—This section and the amendment made by this section takes effect on October 1, 1995.

Subtitle D—Department Reforms

SEC. 2301. REDUCTION IN OVERHEAD EXPENSES OF EXPORT-IMPORT BANK.

(a) IN GENERAL.—The amount obligated by the Export-Import Bank during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $1,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

SEC. 2302. TRANSFERS FROM EXCHANGE STABILIZATION FUND TO THE GENERAL FUND OF THE TREASURY.

(a) REPAYMENT OF AMOUNTS APPROPRIATED TO THE EXCHANGE STABILIZATION FUND.—Effective October 1, 1996, the Secretary of the Treasury shall transfer from the stabilization fund described in section 5302 of title 31, United States Code, to the general fund of the Treasury the $2,000,000,000 appropriated to such fund under subsection (b) of section 10 of the Gold Reserve Act of 1934 (minus any amounts previously covered into the Treasury pursuant to subsection (c) of such section 10 (as amended by section 7(a) of the Bretton Woods Agreements Act)).

(b) TRANSFER OF NET EARNINGS OF THE FUND TO THE GENERAL FUND.—During fiscal years 1994 through ____, the net earnings of the stabilization fund described in section 5302 of title 31, United States Code, shall be transferred by the Secretary of the Treasury from such fund to the general fund of the Treasury.

Subtitle E—State Department Reforms

CHAPTER 1—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

SEC. 2401. ABOLITION OF THE ACDA; REFERENCES IN PART.

(a) ABOLITION.—The United States Arms Control and Disarmament Agency is abolished on the effective date of this chapter.

(b) CONFORMING REPEAL.—Section 21 of the Arms Control and Disarmament Act (22 U.S.C. 2561) is repealed.

(c) REFERENCES IN CHAPTER.—Except as specifically provided in this chapter, whenever in this chapter an amendment or repeal is expressed as an amendment to or repeal of a provision, the reference shall be deemed to be made to the Arms Control and Disarmament Act.

SEC. 2402. REPEAL OF POSITIONS AND OFFICES.

The following sections are repealed:

(1) Section 22 (22 U.S.C. 2562; relating to the Director).

(2) Section 23 (22 U.S.C. 2563; relating to the Deputy Director).

(3) Section 24 (22 U.S.C. 2564; relating to Assistant Directors).

(4) Section 25 (22 U.S.C. 2565; relating to bureaus, offices, and divisions).

SEC. 2403. AUTHORITIES OF THE SECRETARY OF STATE.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), the Arms Control and Disarmament Act (22 U.S.C. 2551 et seq.) is amended by striking ''Agency'' and ''Director'' each place it appears and inserting ''Department'' and ''Secretary'', respectively.

(2) No amendment shall be made under paragraph (1) to references to the On-Site Inspection Agency or to the Director of Central Intelligence.

(b) PURPOSE.—Section 2 (22 U.S.C. 2551) is amended—

(1) by striking the second, fourth, fifth, and sixth sentences; and

(2) in the seventh sentence, by striking ''It'' and all that follows through ''State,'' and inserting ''The Department of State shall have the authority''.

(c) DEFINITIONS.—Section 3 (22 U.S.C. 2552) is amended by striking paragraph (c) and inserting the following:

''(c) The term 'Department' means the Department of State.

''(d) The term 'Secretary' means the Secretary of State.''.

(d) SCIENTIFIC AND POLICY ADVISORY COMMITTEE.—Section 26(b) (22 U.S.C. 2566(b)) is amended by striking '', the Secretary of State, and the Director'' and inserting ''and the Secretary of State''.

(e) PRESIDENTIAL SPECIAL REPRESENTATIVES.—Section 27 (22 U.S.C. 2567) is amended by striking '', acting through the Director''.

(f) PROGRAM FOR VISITING SCHOLARS.—Section 28 (22 U.S.C. 2568) is amended—

(1) in the second sentence, by striking ''Agency's activities'' and inserting ''Department's arms control, nonproliferation, and disarmament activities''; and

(2) in the fourth sentence, by striking '', and all former Directors of the Agency''.

(g) POLICY FORMULATION.—Section 33(a) (22 U.S.C. 2573(a)) is amended by striking ''shall prepare for

the President, the Secretary of State,'' and inserting ''shall prepare for the President''.

(h) NEGOTIATION MANAGEMENT.—Section 34 (22 U.S.C. 2574) is amended—

(1) in subsection (a), by striking ''the President and the Secretary of State'' and inserting ''the President''; and

(2) by striking subsection (b).

(i) VERIFICATION OF COMPLIANCE.—Section 37(d) (22 U.S.C. 2577(d)) is amended by striking ''Director's designee'' and inserting ''Secretary's designee''.

(j) GENERAL AUTHORITY.—Section 41 (22 U.S.C. 2581) is repealed.

(k) USE OF FUNDS.—Section 48 (22 U.S.C. 2588) is repealed.

(l) ANNUAL REPORT.—Section 51(a) (22 U.S.C. 2593a(a)) is amended by striking ''the Secretary of State,''.

(m) REQUIREMENT FOR AUTHORIZATION OF APPROPRIATIONS.—Section 53 (22 U.S.C. 2593c) is repealed.

(n) ON-SITE INSPECTION AGENCY.—Section 61 (22 U.S.C. 2595) is amended—

(1) in paragraph (1), by striking ''United States Arms Control and Disarmament Agency is''

and inserting ''Department of State and the Department of Defense are respectively''; and

(2) in paragraph (7), by striking ''the United States Arms Control and Disarmament Agency and''.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS.

Section 106 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended—

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

"SEC. 106. DEPARTMENT OF STATE ARMS CONTROL AND DISARMAMENT ACTIVITIES.";

and

(2) in subsection (a), by inserting ''to the Secretary of State'' after ''appropriated''.

SEC. 2405. CONFORMING AMENDMENTS.

(a) The Arms Export Control Act is amended—

(1) in section 36(b)(1)(D) (22 U.S.C. 2776(b)(1)(D)), by striking ''Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and'' and inserting ''Secretary of State in consultation with'';

(2) in section 38(a)(2) (22 U.S.C. 2778(a)(2))—

(A) in the first sentence, by striking ''Director of the United States Arms Control and Disarmament Agency, taking into account the Director's'' and inserting ''Secretary of State, taking into account the Secretary's''; and

(B) in the second sentence, by striking ''The Director of the Arms Control and Disarmament Agency is authorized, whenever the Director'' and inserting ''The Secretary of State is authorized, whenever the Secretary'';

(3) in section 42(a) (22 U.S.C. 2791(a))—

(A) in paragraph (1)(C), by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(ii) in the second sentence, by striking ''Director of the Arms Control and Disarmament Agency is authorized, whenever the Director'' and inserting ''Secretary of

State is authorized, whenever the Secretary'';

(4) in section 71(a) of such Act (22 U.S.C. 2797(a)), by striking '', the Director of the Arms Control and Disarmament Agency,'' and inserting ''Secretary of State'';

(5) in section 71(b)(1) of such Act (22 U.S.C. 2797(b)(1)), by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State;

(6) in section 71(b)(2) of such Act (22 U.S.C. 2797(b)(2))—

(A) by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(B) by striking ''or the Director'';

(7) in section 71(c) of such Act (22 U.S.C. 2797(c)), by striking ''Director of the United States Arms Control and Disarmament Agency,'' and inserting ''Secretary of State''; and

(8) in section 73(d) of such Act (22 U.S.C. 2797b(d)), by striking '', the Secretary of Commerce, and the Director of the United States Arms Control and Disarmament Agency'' and inserting ''and the Secretary of Commerce''.

(b) Section 1706(b) of the United States Institute of Peace Act (22 U.S.C. 4605(b)) is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(3) in paragraph (4) (as redesignated by paragraph (2)), by striking ''Eleven'' and inserting ''Twelve''.

(c) The Atomic Energy Act of 1954 is amended—

(1) in section 57 b. (42 U.S.C. 2077(b))—

(A) in the first sentence, by striking ''the Arms Control and Disarmament Agency,'', and

(B) in the second sentence, by striking ''the Director of the Arms Control and Disarmament Agency,'', and

(2) in section 123 (42 U.S.C. 2153)—

(A) in subsection a. (in the text below paragraph (9)—

(i) by striking ''and in consultation with the Director of the Arms Control and Disarmament Agency (‘the Director’)'', and

(ii) by striking ''and the Director'' and inserting ''and the Secretary of Defense'',

(B) in subsection d., in the first proviso, by striking ''Director of the Arms Control and Disarmament Agency'' and inserting ''Secretary of Defense'', and

(C) in the first undesignated paragraph following subsection d., by striking ''the Arms Control and Disarmament Agency,''.

(d) The Nuclear Non-Proliferation Act of 1978 is amended—

(1) in section 4, by striking paragraph (2);

(2) in section 102, by striking ''the Secretary of State, and the Director of the Arms Control and Disarmament Agency'' and inserting ''and the Secretary of State''; and

(3) in section 602(c), by striking ''the Arms Control and Disarmament Agency,''.

(e) Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Director of the United States Arms Control and Disarmament Agency.'',

(2) in section 5314, by striking ''Deputy Director of the United States Arms Control and Disarmament Agency.'',

(3) in section 5315—

(A) by striking ''Assistant Directors, United States Arms Control and Disarmament Agency (4).'', and

(B) by striking ''Special Representatives of the President for arms control, nonproliferation, and disarmament matters, United States Arms Control and Disarmament Agency'', and inserting ''Special Representatives of the President for arms control, nonproliferation, and disarmament matters, Department of State'', and

(4) in section 5316, by striking ''General Counsel of the United States Arms Control and Disarmament Agency.''.

SEC. 2406. REFERENCES IN LAW.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to the United States Arms Control and Disarmament Agency or the Director or other official of the United States Arms Control and Disarmament Agency shall be deemed to refer respectively to the Department of State or the Secretary of State or other official of the Department of State.

SEC. 2407. EFFECTIVE DATE.

This chapter and the amendments made by this chapter shall take effect on March 1, 1997.

CHAPTER 2—UNITED STATES INFORMATION AGENCY

SEC. 2431. ABOLITION.

The United States Information Agency is abolished upon the effective date of this chapter.

SEC. 2432. REFERENCES IN LAW.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Information Agency or the Director of the International Communication Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Information Agency, USIA, or the International Communication Agency shall be deemed to refer to the Department of State.

SEC. 2433. AMENDMENTS TO TITLE 5.

Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Director of the United States Information Agency.'';

(2) in section 5315, by striking ''Deputy Director of the United States Information Agency.''; and

(3) in section 5316, by striking ''Deputy Director, Policy and Plans, United States Information

Agency.'' and striking ''Associate Director (Policy and Plans), United States Information Agency.''.

SEC. 2434. AMENDMENTS TO UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948.

(a) REFERENCES IN SECTION.—Except as specifically provided in this section, whenever in this section an amendment or repeal is expressed as an amendment or repeal of a provision, the reference shall be deemed to be made to the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431 et seq.).

(b) IN GENERAL.—Except as otherwise provided in this section, the Act (other than section 604 and subsections (a) and (c) of section 701) is amended—

(1) by striking ''United States Information Agency'' each place it appears and inserting ''Department of State'';

(2) by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State'';

(3) by striking ''Director'' each place it appears and inserting ''Secretary of State'';

(4) by striking ''USIA'' each place it appears and inserting ''Department of State; and

(5) by striking ''Agency'' each place it appears and inserting ''Department of State.

(c) SATELLITE AND TELEVISION BROADCASTS.—Section 505 (22 U.S.C. 1464a) is amended—

(1) by striking ''Director of the United States Information Agency'' each of the three places it appears and inserting ''Secretary of State'';

(2) in subsection (b), by striking ''To be effective, the United States Information Agency'' and inserting ''To be effective in carrying out this subsection, the Department of State'';

(3) by striking ''USIA–TV'' each place it appears and inserting ''DEPARTMENT OF STATE–TV''; and

(4) by striking subsection (e).

(d) NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS.—Section 704 (22 U.S.C. 1477b) is amended—

(1) in subsection (b), by inserting after ''authorized by law'' the following: ''in connection with carrying out the informational and educational exchange functions of the Department''; and

(2) in subsection (c), by striking ''United States Information Agency'' each place it appears and inserting ''Department of State in carrying out the in-

formational and educational exchange functions of the Department''.

(e) REPROGRAMMING NOTIFICATIONS.—Section 705 (22 U.S.C. 1477c) is amended by striking ''United States Information Agency'' each place it appears and inserting ''Department of State in carrying out its informational and educational exchange functions''.

(f) AUTHORITIES OF THE SECRETARY.—Section 801(3) (22 U.S.C. 1471(3)) is amended by striking all ''if the sufficiency'' and all that follows and inserting ''if the Secretary determines that title to such real property or interests is sufficient;''.

(g) REPEAL OF THE USIA SEAL.—Section 807 (22 U.S.C. 1475b) is repealed.

(h) ACTING ASSOCIATE DIRECTORS.—Section 808 (22 U.S.C. 1475c) is repealed.

(i) DEBT COLLECTION.—Section 811 (22 U.S.C. 1475f) is amended by inserting ''informational and educational exchange'' before ''activities'' each place it appears.

(j) OVERSEAS POSTS.—Section 812 (22 U.S.C. 1475g) is amended by striking ''United States Information Agency post'' each place it appears and inserting ''informational and educational exchange post of the Department of State''.

(k) DEFINITION.—Section 4 (22 U.S.C. 1433) is amended by adding at the end the following:

''(4) 'informational and educational exchange functions', with respect to the Department of State, refers to functions exercised by the United States Information Agency before the effective date of title XIII of the Foreign Affairs Reinvention Act of 1995.''.

SEC. 2435. AMENDMENTS TO THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961 (FULBRIGHT-HAYS ACT).

(a) REFERENCES IN SECTION.—Except as specifically provided in this section, whenever in this section an amendment or repeal is expressed as an amendment or repeal of a provision, the reference shall be deemed to be made to the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.).

(b) IN GENERAL.—The Act (22 U.S.C. 2451 et seq.) is amended by striking ''Director of the International Communication Agency'' each place it appears and inserting ''Secretary of State''.

(c) PROGRAM AUTHORITIES.—(1) Section 102(a) (22 U.S.C. 2452(a)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(2) Section 102(b) (22 U.S.C. 2452(b)) is amended by striking ''President'' and inserting ''Secretary of State (except, in the case of paragraphs (6) and (10), the President)''.

(d) INTERNATIONAL AGREEMENTS.—Section 103 (22 U.S.C. 2453) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(e) PERSONNEL BENEFITS.—Section 104(d) (22 U.S.C. 2454(d)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(f) FOREIGN STUDENT COUNSELING.—Section 104(e)(3) (22 U.S.C. 2454(e)(3)) is amended by striking ''President'' and inserting ''Secretary of State''.

(g) PUBLICITY AND PROMOTION OVERSEAS.—Section 104(e)(4) (22 U.S.C. 2454(e)(4)) is amended by striking ''President'' and inserting ''Secretary of State''.

(h) USE OF FUNDS.—Section 105(e) (22 U.S.C. 2455(e)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

(i) REPEAL OF AUTHORITY FOR ABOLISHED ADVISORY COMMITTEE.—Section 106(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2456(c)) is repealed.

(j) BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.—

(1) IN GENERAL.—Section 112(a) (22 U.S.C. 2460(a)) is amended by striking the first sentence and inserting the following: ''In order to carry out the purposes of this Act, there is established in the Department of State a Bureau for International Exchange Activities (in this section referred to as the ''Bureau'').

(2) IMPLEMENTATION OF PROGRAMS.—Section 112(c) (22 U.S.C. 2460(c)) is amended by striking ''President'' each place it appears and inserting ''Secretary of State''.

SEC. 2436. INTERNATIONAL BROADCASTING ACTIVITIES.

(a) IN GENERAL.—(1) Except as otherwise provided in paragraph (2), title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended—

(A) by striking ''Director of the United States Information Agency'' or ''Director'' each place it appears and inserting ''Under Secretary of State for Public Diplomacy'';

(B) by striking all references to ''United States Information Agency'' that were not stricken in subparagraph (A) and inserting ''Department of State'';

(C) in section 305(a)(1), by inserting ''(including activities of the Voice of America previously car-

ried out by the United States Information Agency)'' after ''this title'';

(D) in section 305(b), by striking ''Agency's'' each place it appears and inserting ''Department's''; and

(E) by striking ''Bureau'' each place it appears and inserting ''Office''.

(2) Title III of such Act is amended—

(A) in section 304(c)—

(i) by striking ''Director's'' and inserting ''Under Secretary's''; and

(ii) in the fifth sentence, by striking ''Director of the United States Information Agency, the acting Director of the agency'' and inserting ''Under Secretary of State for Public Diplomacy, the acting Under Secretary'';

(B) in sections 305(b) and 307(b)(1), by striking ''Director of the Bureau'' each place it appears and inserting ''Director of the Office'';

(C) in subsections (i) and (j) of section 308, by striking ''Inspector General of the United States Information Agency'' each place it appears and inserting ''Inspector General for Foreign Affairs''; and

(D) in section 310(d), by striking ''Director on the date of enactment of this Act, to the extent that

the Director'' and inserting ''Under Secretary on the effective date of title XIII of the Foreign Affairs Reinvention Act of 1995, to the extent that the Under Secretary''.

(b) CONFORMING AMENDMENT TO TITLE 5.—Section 5315 of title 5, United States Code, is amended by striking ''Director of the International Broadcasting Bureau, the United States Information Agency'' and inserting ''Director of the International Broadcasting Office, the Department of State''.

SEC. 2437. TELEVISION BROADCASTING TO CUBA.

(a) AUTHORITY.—Section 243(a) of the Television Broadcasting to Cuba Act (as contained in part D of title II of Public Law 101–246) (22 U.S.C. 1465bb(a)) is amended by striking ''United States Information Agency (hereafter in this part referred to as the 'Agency')'' and inserting ''Department of State (hereafter in this chapter referred to as the 'Department')''.

(b) TELEVISION MARTI SERVICE.—Section 244 of such Act (22 U.S.C. 1465cc) is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: ''The Secretary of State shall administer within the Voice of America the Television Marti Service.'', and

(B) in the third sentence, by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''USIA'' and inserting ''Department of State'',

(B) by striking ''Agency facilities'' and inserting ''Department facilities'', and

(C) by striking ''United States Information Agency Television Service'' and inserting ''Department of State Television Service''; and

(3) in subsection (c)—

(A) by striking ''USIA AUTHORITY.—The Agency'' and inserting ''SECRETARY OF STATE AUTHORITY.—The Secretary of State''; and

(B) by striking ''Agency'' the second place it appears and inserting ''Secretary of State''.

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 246 of such Act (22 U.S.C. 1465dd) is amended—

(1) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) by striking ''the Agency'' and inserting ''the Department''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 247(a) of such Act (22 U.S.C. 1465ee(a)) is repealed.

SEC. 2438. RADIO BROADCASTING TO CUBA.

(a) FUNCTIONS OF THE DEPARTMENT OF STATE.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended—

(1) in the section heading, by striking ''United States Information Agency'' and inserting ''Department of State'';

(2) in subsection (a), by striking ''United States Information Agency (hereafter in this Act referred to as the 'Agency')'' and inserting ''Department of State (hereafter in this Act referred to as the 'Department')'';

(3) by striking subsection (d); and

(4) in subsection (f), by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(b) CUBA SERVICE.—Section 4 of such Act (22 U.S.C. 1465b) is amended—

(1) by amending the first sentence to read as follows: ''The Secretary of State shall administer within the Voice of America the Cuba Service (hereafter in this section referred to as the 'Service').''; and

(2) in the third sentence, by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 6 of such Act (22 U.S.C. 1465d) is amended—

(1) in subsection (a)—

(A) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(B) by striking ''the Agency'' and inserting ''the Department''; and

(2) in subsection (b)—

(A) by striking ''The Agency'' and inserting ''The Department''; and

(B) by striking ''the Agency'' and inserting ''the Secretary of State''.

(d) FACILITY COMPENSATION.—Section 7 of such Act (22 U.S.C. 1465e) is amended—

(1) in subsection (b), by striking ''the Agency'' and inserting ''the Department''; and

(2) in subsection (d), by striking ''Agency'' and inserting ''Department''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 8 of such Act (22 U.S.C. 1465f) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

''(a) The amount obligated by the Department of State each fiscal year to carry out this Act shall be sufficient to maintain broadcasts to Cuba under this Act at rates no less than the fiscal year 1985 level of obligations by the former United States Information Agency for such broadcasts.''; and

(2) by redesignating subsection (c) as subsection (b).

SEC. 2439. NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) GRANTS.—Section 503 of Public Law 98–164, as amended (22 U.S.C. 4412) is amended—

(1) in subsection (a)—

(A) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State'';

(B) by striking ''the Agency'' and inserting ''the Department of State''; and

(C) by striking ''the Director'' and inserting ''the Secretary of State''; and

(2) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State''.

(b) AUDITS.—Section 504(g) of such Act (22 U.S.C. 4413(g)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(c) FREEDOM OF INFORMATION.—Section 506 of such Act (22 U.S.C. 4415) is amended—

(1) in subsection (b)—

(A) by striking ''Director'' each of the three places it appears and inserting ''Secretary''; and

(B) by striking ''of the United States Information Agency'' and inserting ''of State''; and

(2) in subsection (c)—

(A) in the subsection heading by striking ''USIA'' and inserting ''DEPARTMENT OF STATE'';

(B) by striking ''Director'' each of the three places it appears and inserting ''Secretary'';

(C) by striking ''of the United States Information Agency'' and inserting ''of State''; and

(D) by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 2430. UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES.

(a) PROGRAM AUTHORITY.—Section 603 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4703) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(b) GUIDELINES.—Section 604(11) of such Act (22 U.S.C. 4704(11)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(c) POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.—Section 606(b) of such Act (22 U.S.C. 4706(b)) is amended—

(1) in the subsection heading, by striking ''USIA'' and inserting ''STATE DEPARTMENT''; and

(2) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(d) GENERAL AUTHORITIES.—Section 609(e) of such Act (22 U.S.C. 4709(e)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 2431. NATIONAL SECURITY EDUCATION BOARD.

Section 803 of the Intelligence Authorization Act, Fiscal Year 1992 (50 U.S.C. 1903(b)) is amended—

(1) in subsection (b)—

(A) by striking paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (6); and

(2) in subsection (c), by striking ''subsection (b)(7)'' and inserting ''subsection (b)(6)''.

SEC. 2432. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is amended by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State''.

SEC. 2433. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.

(a) DUTIES.—Section 703 of the Mutual Security Act of 1960 (22 U.S.C. 2055) is amended—

(1) in the text above paragraph (1), by striking ''Director of the United States Information Agency'' (hereinafter referred to as the 'Director')'' and inserting ''Secretary of State (hereinafter referred to as the 'Secretary'); and

(2) in paragraph (1), by striking ''establishment and''.

(b) ADMINISTRATION.—Section 704 of such Act (22 U.S.C. 2056) is amended—

(1) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''; and

(2) by striking ''Director'' each place it appears and inserting ''Secretary''.

SEC. 2434. MISSION OF THE DEPARTMENT OF STATE.

Section 202 of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 1461–1) is amended—

(1) in the first sentence, by striking ''mission of the United States Information Agency'' and inserting ''mission of the Department of State in carrying out its information, educational, and cultural functions'';

(2) in the second sentence, in the text above paragraph (1), by striking ''United States Information Agency'' and inserting ''Department of State'';

(3) in paragraph (1)(B), by striking ''Agency'' and inserting ''Department''; and

(4) in paragraph (5), by striking ''mission of the Agency'' and inserting ''mission described in this section''.

SEC. 2435. CONSOLIDATION OF ADMINISTRATIVE SERVICES.

Section 23 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2695(a)) is amended—

(1) by striking ''(including'' and all that follows through ''Agency)''; and

(2) by striking ''other such agencies'' and inserting ''other Federal agencies''.

SEC. 2436. GRANTS.

Section 212 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 1475h) is amended—

(1) in subsection (a), by striking ''United States Information Agency'' and inserting ''Department of State, in carrying out its international information, educational, and cultural functions,'';

(2) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State'';

(3) in subsection (c)—

(A) in paragraph (1), by striking ''United States Information Agency shall substantially comply with United States Information Agency'' and inserting ''Department of State, in carrying out its international information, edu-

cational, and cultural functions, shall substantially comply with Department of State''; and

(B) in paragraph (2), by striking ''United States Information Agency'' and inserting ''Department of State''; and

(C) in paragraphs (2) and (3), by striking ''Agency'' each of the two places it appears and inserting ''Department''; and

(4) by striking subsection (d).

SEC. 2437. BAN ON DOMESTIC ACTIVITIES.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) is amended—

(1) by striking out ''United States Information Agency'' each of the two places it appears and inserting ''Department of State''; and

(2) by inserting ''in carrying out international information, educational, and cultural activities comparable to those previously administered by the United States Information Agency'' before ''shall be distributed''.

SEC. 2438. CONFORMING REPEAL TO THE ARMS CONTROL AND DISARMAMENT ACT.

Section 34(b) of the Arms Control and Disarmament Act (22 U.S.C. 2574(b)) is repealed.

SEC. 2439. REPEAL RELATING TO PROCUREMENT OF LEGAL SERVICES.

Section 26(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698(b)) is repealed.

SEC. 2440. REPEAL RELATING TO PAYMENT OF SUBSISTENCE EXPENSES.

Section 32 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2704) is amended by striking the second sentence.

SEC. 2441. CONFORMING AMENDMENT TO THE SEED ACT.

Section 2(c) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401(c)) is amended in paragraph (17) by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 2442. INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION.

Section 7(c)(1) of the Federal Triangle Development Act (40 U.S.C. 1106(c)(1)) is amended—

(1) in the text above subparagraph (A), by striking ''15 members'' and inserting ''14 members'';

(2) by striking subparagraph (F); and

(3) by redesignating subparagraphs (G) through (J) as subparagraphs (F) through (I), respectively.

SEC. 2443. OTHER LAWS REFERENCED IN REORGANIZATION PLAN NO. 2 OF 1977.

(a) IMMIGRATION AND NATIONALITY ACT.—(1) Section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)) is amended by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(2) Section 212(e) of such Act (8 U.S.C. 1182(e)) is amended—

(A) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''; and

(B) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) ARTS AND ARTIFACTS INDEMNITY ACT.—Section 3(a) of the Arts and Artifacts Indemnity Act (20 U.S.C. 972(a)) is amended by striking out ''Director of the United States Information Agency'' and inserting in lieu thereof ''Secretary of State''.

(c) NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965.—Section 9(b) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958(b)) is amended by striking out ''a member designated by the Director of the United States Information Agency,'' and inserting in lieu thereof ''a member designated by the Secretary of State,''.

(d) WOODROW WILSON MEMORIAL ACT OF 1968.—Section 3(b) of the Woodrow Wilson Memorial Act of 1968 (20 U.S.C. 80f(b)) is amended—

(1) in the matter preceding paragraph (1), by striking out ''19 members'' and inserting in lieu thereof ''18 members'';

(2) by striking out paragraph (7); and

(3) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(e) PUBLIC LAW 95–86.—Title V of the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriations Act, 1978 (Public Law 95–86) is amended in the third proviso of the paragraph ''SALARIES AND EXPENSES'' under the heading ''UNITED STATES INFORMATION AGENCY'' (22 U.S.C. 1461b) by striking out ''the United States Information Agency is authorized,'' and inserting in lieu thereof ''the Secretary of State may,''.

(f) ACT OF JULY 9, 1949.—The Act of July 9, 1949 (63 Stat. 408; chapter 301; 22 U.S.C. 2681 et seq.) is repealed.

SEC. 2444. EXCHANGE PROGRAM WITH COUNTRIES IN TRANSITION FROM TOTALITARIANISM TO DEMOCRACY.

Section 602 of the National and Community Service Act of 1990 (22 U.S.C. 2452a) is amended—

(1) in the second sentence of subsection (a), by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) in subsection (b)—

(A) by striking ''appropriations account of the United States Information Agency'' and inserting ''appropriate appropriations account of the Department of State''; and

(B) by striking ''and the United States Information Agency''.

SEC. 2445. EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note) is amended—

(1) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) by striking subsection (d).

SEC. 2446. IMPLEMENTATION OF CONVENTION ON CULTURAL PROPERTY.

Title III of the Convention on Cultural Property Implementation Act (19 U.S.C. 2601 et seq.) is amended by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State''.

SEC. 2447. REPEAL.

Section 252(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6101(a)) is repealed.

SEC. 2448. UNITED STATES ADVISORY COMMITTEE FOR PUBLIC DIPLOMACY.

Section 604 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1469) is amended—

(1) in subsection (c)(1)—

(A) by striking ''the Director of the United States Information Agency,''; and

(B) by striking ''Director or the Agency, and shall appraise the effectiveness of policies and programs of the Agency'' and inserting ''Secretary of State or the Department of State, and shall appraise the effectiveness of the information, educational, and cultural policies and programs of the Department'';

(2) in subsection (c)(2), in the first sentence—

(A) by striking ''the Secretary of State, and the Director of the United States Information Agency'' and inserting '', and the Secretary of State'';

(B) by striking ''Agency'' the first place it appears and inserting ''Department of State''; and

(C) by striking ''Director for effectuating the purposes of the Agency'' and inserting ''Secretary for effectuating the information, educational, and cultural functions of the Department'';

(3) in subsection (c)(3), by striking ''programs conducted by the Agency'' and inserting ''information, educational, and cultural programs conducted by the Department of State''; and

(4) in subsection (c)(4), by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

SEC. 2449. EFFECTIVE DATE.

This chapter, and the amendments made by this chapter, shall take effect on March 1, 1997.

CHAPTER 3—AGENCY FOR INTERNATIONAL DEVELOPMENT

Subchapter A—General Provisions

SEC. 2451. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter, and the amendments made by this chapter, shall take effect—

(1) on March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 421.

(b) REORGANIZATION PLAN.—Section 421 shall take effect on the date of enactment of this Act.

SEC. 2452. REFERENCES IN THIS CHAPTER.

Except as specifically provided in this chapter, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision, the reference shall be considered to be made to a provision of the Foreign Assistance Act of 1961.

Subchapter B—Abolition of the Agency for International Development and Transfer of Functions to the Secretary of State

SEC. 2455. ABOLITION OF AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY.

The Agency for International Development and the International Development Cooperation Agency are abolished.

SEC. 2456. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.

There are transferred to the Secretary of State all functions of the Administrator of the Agency for International Development and the Director of the International Development Cooperation Agency and all functions of the Agency for International Development and the International Development Cooperation Agency and any officer or component of such agencies under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this chapter, except as otherwise provided in this chapter.

Subchapter C—Reorganization of Department of State Relating to Functions Transferred Under This Chapter

SEC. 2461. REORGANIZATION PLAN.

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Administrator of the Agency for International Development, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Agency for International Development in accordance with this chapter;

(2) the transfer to the Department of State of the functions and personnel of the Agency for International Development consistent with the provisions of this chapter; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this chapter in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Agency for International Development that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Agency for International Development that will be transferred to the Department under this chapter as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this chapter.

SEC. 2462. PRINCIPAL OFFICERS.

(a) UNDER SECRETARY OF STATE FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—

(1) ESTABLISHMENT.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b)) is amended by adding after paragraph (2) the following new paragraph:

''(3) UNDER SECRETARY FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—There shall be in the Department of State an Under Secretary for Development and Economic Affairs who shall assist the Secretary and the Deputy Secretary in the formation

and implementation of United States policies and activities concerning international development and economic affairs.''.

(b) TRANSITION PROVISION.—The President may appoint the individual serving as Administrator of the Agency for International Development on the day before the effective date of this chapter, or such other official appointed by and with the advice and consent of the Senate and serving within the Department of State or the Agency for International Development as the President considers appropriate, to serve as the acting Under Secretary for Development and Economic Affairs until an individual is appointed to that office in accordance with section 1(b)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

Subchapter D—Conforming Amendments

SEC. 2465. REFERENCES.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Administrator of the Agency for International Development, or any other officer or employee of the Agency for International Development shall be deemed to refer to the Secretary of State;

(2) the Director or any other officer or employee of the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Secretary of State; or

(3) the Agency for International Development, AID, the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, or the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Department of State.

SEC. 2466. ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.

(a) ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Inspector General of the Agency for International Development is abolished.

(b) AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended as follows:

(1) Section 8A is repealed.

(2) Section 11(1) is amended by striking ''the Administrator of the Agency for International Development,''.

(3) Section 11(2) is amended by striking ''the Agency for International Development,''.

(c) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following: ''Inspector General, Agency for International Development.''.

(d) FUNCTIONS OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Inspector General of the Department of State the functions that the Office of Inspector General of the Agency for International Development exercised before the effective date of this chapter (including all related functions of the Inspector General of the Agency for International Development).

(e) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Inspector General of the Department of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds

held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 2467. ABOLITION OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO CHIEF FINANCIAL OFFICER DEPARTMENT OF STATE.

(a) ABOLITION OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Chief Financial Officer of the Agency for International Development is abolished.

(b) AMENDMENT TO TITLE 31, UNITED STATES CODE.—Section 901(b)(2) of title 31, United States Code, is amended by striking subparagraph (A).

(c) FUNCTIONS OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Chief Financial Officer of the Department of State the functions that the Office of Chief Financial Officer of the Agency for International Development exercised before the effective date of this chapter (including all related functions of the Chief Financial Officer of the Agency for International Development).

(d) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 2468. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Administrator, Agency for International Development.'';

(2) in section 5314, by striking ''Deputy Administrator, Agency for International Development.'';

(3) in section 5315—

(A) by striking ''Assistant Administrators, Agency for International Development (6).''; and

(B) by striking ''Regional Assistant Administrators, Agency for International Development (4).''; and

(4) in section 5316 by striking ''General Counsel of the Agency for International Development.''.

SEC. 2469. PUBLIC LAW 480 PROGRAM.

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 83–480; 7 U.S.C. 1691 et seq.) is amended by striking ''Administrator'' each place it appears and inserting ''Under Secretary of State for Development and Economic Affairs''.

CHAPTER 4—ORGANIZATION OF THE DEPARTMENT OF STATE AND FOREIGN SERVICE

SEC. 2471. OFFICE OF THE SECRETARY OF STATE.

(a) SECRETARY OF STATE.—Section 1 of the State Department Basic Authorities of 1956 (22 U.S.C. 2651a) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

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

''(3) The Secretary shall serve as the principal foreign policy adviser to the President and shall, under the direction of the President, be responsible for the overall direction, coordination, and supervision of United States foreign relations and for the

interdepartmental activities of the United States Government abroad.''.

(b) DEPUTY SECRETARY.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b)) is amended to read as follows:

''(b) DEPUTY SECRETARY.—(1) There shall be within the Department of State a Deputy Secretary of State, who shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) The Deputy Secretary shall have primary responsibility, which may not be delegated, to assure adequate foreign policy coordination with respect to the international activities of other agencies and development entities.

''(3) The Deputy Secretary shall act for, and exercise the powers of, the Secretary during his absence or disability or during a vacancy in the office of the Secretary.''.

(c) AMERICA DESK.—Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended to read as follows:

''(c) AMERICA DESK.—(1)(A) The Secretary shall establish and maintain staff within the office of the Secretary that shall be responsible for ensuring that adequate consideration is afforded to United States commercial and

business interests in the formulation of United States foreign policy.

''(B) The staff established under subparagraph (A) may be referred to as the 'America Desk'.

''(2) The America Desk shall also serve as an ombudsman and as a point of liaison to United States commercial and economic interests and to provide policymakers with input that will help keep policy responsive to the needs of United States citizens.

''(3) In addition, in the event of certain foreign emergencies or crises affecting United States citizens, the America Desk shall help energize the Department's resources in a coordinated response.''.

(d) RESOURCES, POLICY, AND PLANNING STAFF.—Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended—

(1) by striking subsection (e);

(2) by redesignating subsection (d) as subsection (e); and

(3) by amending subsection (d) to read as follows:

''(d) RESOURCES, POLICY, AND PLANNING STAFF.—(1) The Secretary shall establish and maintain a Resources, Policy, and Planning Staff within the office of the Secretary to provide the Secretary, the Deputy Sec-

retary of State, and the Under Secretaries of State precise information on and recommendations concerning the resource implications of foreign policy proposals.

''(2) The staff shall be responsible to ensure that the Secretary of State has an independent assessment of the budgetary impact of foreign policy proposals.''.

(e) ASSUMPTION OF DUTIES BY INCUMBENT APPOINTEES.—An individual holding an office immediately prior to the date of enactment of this Act—

(1) who was appointed to the office by the President, by and with the advice and consent of the Senate; and

(2) who performs duties substantially similar to the duties of an office created or proposed to be created under the amendments of this section,

may, in the discretion of the Secretary of State, assume the duties of such new office, and shall not be required to be reappointed by reason of the enactment of this section.

SEC. 2472. UNDER SECRETARIES.

(a) AMENDMENT TO THE STATE DEPARTMENT BASIC AUTHORITIES ACT.—The State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a et seq.) is amended by inserting after section 1 the following new section:

"SEC. 1A. UNDER SECRETARIES OF STATE.

''(a) IN GENERAL.—(1) There shall be in the Department of State not more than the following five Under Secretaries of State, who shall be appointed by the President, by and with the advice and consent of the Senate:

''(A) The Under Secretary of State for Policy.

''(B) The Under Secretary of State for Export, Trade, Economics, and Business.

''(C) The Under Secretary of State for International Security.

''(D) The Under Secretary of State for Public Diplomacy.

''(E) The Under Secretary of State for Management.

''(2) The responsibilities of the Under Secretaries of State include, but are not limited to, the responsibilities provided for in this section.

''(b) UNDER SECRETARY OF STATE FOR POLICY.—

''(1) IN GENERAL.—There is an Under Secretary of State for Policy.

''(2) RESPONSIBILITIES.—The Under Secretary of State for Policy shall be responsible to the Secretary of State and the Deputy Secretary of State for the following:

"(A) Assisting in the development, implementation, and conduct of foreign policy and foreign assistance policy.

"(B) Determining the policy goals and functions of United States diplomatic missions and ensuring that overall mission staffing reflects policy priorities.

"(C) Ensuring policy coordination of all international programs carried out by the departments and agencies of the Federal Government in the areas within the responsibilities of the Under Secretary.

"(3) OFFICE OF THE UNDER SECRETARY.—There shall be within the Office of the Under Secretary for Policy the Office of Enterprise Fund Coordination which shall ensure that programs of enterprise funds support regional policy goals, are well managed and audited, and are sufficiently capitalized.

"(c) UNDER SECRETARY OF STATE FOR EXPORT, TRADE, ECONOMICS, AND BUSINESS.—

"(1) IN GENERAL.—There is an Under Secretary of State for Export, Trade, Economics, and Business.

"(2) RESPONSIBILITIES.—(A) The Under Secretary of State for Export, Trade, Economics, and Business shall be responsible to the Secretary of State and the Deputy Secretary of State for the following:

"(i) Assisting in the development, implementation, and conduct of foreign policy and foreign assistance policy with respect to export promotion, trade, economics, and business and with respect to science and environmental matters and the oceans.

"(ii) Overseeing international programs with respect to the matters referred to in subparagraph (A) that are carried out by the departments and agencies of the Federal Government other than the Department of State.

"(B) The Under Secretary shall be the representative of the Department of State on the Trade Promotion Coordinating Committee established under section 2312 of the Export Enhancement Act of 1988 (15 U.S.C. 4724).

"(d) UNDER SECRETARY OF STATE FOR INTERNATIONAL SECURITY.—

"(1) IN GENERAL.—There is an Under Secretary of State for International Security.

"(2) RESPONSIBILITIES.—The Under Secretary of State for International Security shall be responsible to the Secretary of State and the Deputy Secretary of State for the following:

"(A) Assisting in the development of policy relating to matters of international security, including arms control and nonproliferation, international narcotics and crime control, refugee and migration affairs, emergency humanitarian issues, and foreign assistance issues related thereto.

"(B) Advising on matters of arms control and disarmament, arms sales, and nonproliferation of weapons of mass destruction.

"(3) OFFICE OF THE UNDER SECRETARY.—There shall be within the Office of the Under Secretary of State for International Security—

"(A) the Coordinator for Economic Support Funds-Foreign Military Financing, who shall seek to assure that programs under chapter 4 of part II of the Foreign Assistance Act of 1961 and under section 23 of the Arms Export Control Act reflect United States foreign policy objectives; and

"(B) the Coordinator for Counter-Terrorism, who shall develop, coordinate, and oversee the implementation of, the policy of the Department of State to counter acts of international terrorism.

"(e) UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY.—

"(1) IN GENERAL.—There is an Under Secretary of State for Public Diplomacy.

"(2) RESPONSIBILITIES.—The Under Secretary of State for Public Diplomacy shall be responsible to the Secretary of State and the Deputy Secretary of State for the following:

"(A) Assisting in the development, implementation, and conduct of United States policy on public diplomacy, including international exchange programs and international broadcasting.

"(B) Coordinating international exchange programs that are carried out by departments and agencies of the Federal Government other than the Department of State.

"(C) Disseminating information, including the use and maintenance of electronic informa-

tion capabilities, such as the wireless file, and library and overseas resource centers.

"(i) providing information to the public outside the United States on United States foreign policy and assistance policy; and

"(ii) providing to the Secretary of State information on public reaction, foreign attitudes and media reaction to United States foreign policy.

"(3) OFFICE OF THE UNDER SECRETARY.—There shall be within the office of the Under Secretary of State of Public Diplomacy the Press Office and Spokesperson which shall carry out domestic liaison activities, including authority over the current foreign press centers in the United States.

"(f) UNDER SECRETARY OF STATE FOR MANAGEMENT.—

"(1) IN GENERAL.—There is an Under Secretary of State for Management.

"(2) RESPONSIBILITIES.—The Under Secretary of State for Management shall be responsible to the Secretary of State and the Deputy Secretary of State for the following:

''(A) Assisting in the development, implementation, and conduct of policy for the management of the Department of State, including the management of United States diplomatic missions and consular posts abroad.

''(B) Assuring adequate management support for the conduct of United States foreign policy and foreign assistance policy, including personnel staffing levels adequate to support the overall foreign policy objectives.

''(C) Developing and implementing policy on consular programs.''.

(b) ASSUMPTION OF DUTIES BY INCUMBENT APPOINTEES.—An individual holding an office immediately prior to the date of enactment of this Act—

(1) who was appointed to the office by the President, by and with the advice and consent of the Senate; and

(2) who performs duties substantially similar to the duties of an office created or proposed to be created under section 1A of the State Department Basic Authorities Act of 1956,

may, in the discretion of the Secretary of State, assume the duties of such new office, and shall not be required

to be reappointed by reason of the enactment of that section.

SEC. 2473. ASSISTANT SECRETARIES OF STATE.

(a) AMENDMENT TO THE STATE DEPARTMENT BASIC AUTHORITIES ACT.—The State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a et seq.) is amended by inserting after section 1A, as added by section 1102, the following new section:

"SEC. 1B. ASSISTANT SECRETARIES OF STATE.

''(a) IN GENERAL.—(1) There shall be in the Department of State not more than 20 Assistant Secretaries of State, who shall be appointed by the President, by and with the advice and consent of the Senate. The responsibilities of the Assistant Secretaries of State include, but are not limited to, the responsibilities provided for in this section.

''(2) Under each Assistant Secretary of State having regional responsibilities described in paragraphs (1) through (6) of subsection (b), there should be a Deputy Assistant Secretary of State for Trade, and Development Assistance.

''(b) ASSISTANT SECRETARIES REPORTING TO THE UNDER SECRETARY OF STATE FOR POLICY.—The following Assistant Secretaries of State should be subject to the supervision and policy guidance of the Under Secretary

of State for Policy and should have the following responsibilities:

"(1) ASSISTANT SECRETARY FOR INTER-AMERICAN AFFAIRS.—There should be an Assistant Secretary of State for Inter-American Affairs who should assist in the development and implementation of United States foreign policy and foreign assistance policy with respect to the Western Hemisphere.

"(2) ASSISTANT SECRETARY FOR WESTERN AND CENTRAL EUROPEAN AFFAIRS.—There should be an Assistant Secretary of State for Western and Central European Affairs who should assist in the development and implementation of United States foreign policy and foreign assistance policy with respect to Western and Central Europe.

"(3) ASSISTANT SECRETARY FOR ASIAN AND PACIFIC AFFAIRS.—There should be an Assistant Secretary of State for Asian and Pacific Affairs who should assist in the development and implementation of United States foreign policy and foreign assistance policy with respect to Asia and the Pacific.

"(4) ASSISTANT SECRETARY FOR AFRICAN AFFAIRS.—There should be an Assistant Secretary of State for African Affairs who should assist in the development and implementation of United States

foreign policy and foreign assistance policy with respect to Africa.

''(5) ASSISTANT SECRETARY FOR NEAR EASTERN AFFAIRS.—There should be an Assistant Secretary of State for Near Eastern Affairs who should assist in the development and implementation of United States foreign policy and foreign assistance policy with respect to the Near East.

''(6) ASSISTANT SECRETARY FOR EASTERN EUROPE AND CENTRAL ASIA AFFAIRS.—There should be an Assistant Secretary of State for Eastern Europe and Central Asia Affairs who should assist in the development and implementation of United States foreign policy and foreign assistance policy with respect to Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan.

''(7) ASSISTANT SECRETARY FOR INTERNATIONAL ORGANIZATIONS.—There should be an Assistant Secretary for International Organizations who should have the rank and status of Ambassador Extraordinary and Plenipotentiary and who—

''(A) should serve as the Permanent Representative of the United States to the United Nations;

''(B) may serve ex officio as representative of the United States in any organ, commission, or other body of any international organization other than a specialized agency of the United Nations;

''(C) should develop, coordinate, and implement United States policy in the United Nations, specialized agencies, and other international organizations, including United States policy on issues relating to United Nations peacekeeping activities;

''(D) should ensure that the United States participates in international organizations in a consistent fashion; and

''(E) should manage United States participation in multilateral conferences, including accrediting and instructing United States delegations to such conferences and providing representational and logistical support to such delegations.

''(8) ASSISTANT SECRETARY FOR DEMOCRACY AND HUMAN RIGHTS.—There should be an Assistant Secretary of State for Democracy and Human Rights, who should—

"(A) develop, coordinate, and implement United States policy and programs for the promotion of freedom, democracy, respect for human rights, and similar matters around the world;

"(B) support and provide advice to the regional Assistant Secretaries of State referred to in paragraphs (1) through (6) in the promotion of the matters referred to in subparagraph (A);

"(C) serve as liaison with nongovernmental organizations that are active in the promotion of such matters;

"(D) prepare the annual report of the Department of State on human rights practices; and

"(E) advise the Immigration and Naturalization Service on applications by foreign nationals for political asylum in the United States.

"(c) ASSISTANT SECRETARIES REPORTING TO THE UNDER SECRETARY OF STATE FOR EXPORT, TRADE, ECONOMICS, AND BUSINESS.—The following Assistant Secretaries of State should be subject to the supervision and policy guidance of the Under Secretary of State for Export, Trade, Economics, and Business and should have the following responsibilities:

"(1) ASSISTANT SECRETARY FOR ECONOMICS AND BUSINESS AFFAIRS.—

"(A) IN GENERAL.—There should be an Assistant Secretary of State for Economics and Business Affairs who should—

"(i) develop, coordinate, and implement United States international economic policy, including resource and food policy, energy policy, trade policy, policy with respect to economic sanctions, and policy for the promotion of a stable and open international financial system;

"(ii) ensure that United States economic and commercial interests are given appropriate weight in the development and implementation of United States foreign policy;

"(iii) negotiate agreements for the purposes of promoting United States business abroad, improving the economic competitiveness of United States business abroad, and facilitating United States business activities abroad; and

"(iv) advise other bureaus and elements of the Department of State on eco-

nomic policy issues relating to the matters set forth in clauses (i) through (iii).

''(B) OFFICE OF THE ASSISTANT SECRETARY.—There should be within the Office of the Assistant Secretary of State for Economic and Business Affairs the Office of Telecommunications and Aviation. The office should—

''(i) develop, coordinate, and implement policy on issues relating to international telecommunications, international information utilization and exchange, and international aviation and maritime matters;

''(ii) consult with and coordinate the activities of the other departments and agencies of the Federal Government with respect to the policy referred to in clause (i); and

''(iii) conduct negotiations with foreign governments and international organizations with respect to such policy.

''(2) ASSISTANT SECRETARY FOR OCEANS AND ENVIRONMENTAL AND SCIENCE AFFAIRS.—There should be an Assistant Secretary of State for Oceans

and Environmental and Science Affairs who should develop, coordinate, and implement policy on the scientific and technological facets of the relations of the United States with foreign governments and international organizations and on matters relating to the environment, the oceans, fishing, and space.

''(d) ASSISTANT SECRETARIES REPORTING TO THE UNDER SECRETARY OF STATE FOR INTERNATIONAL SECURITY.—The following Assistant Secretaries of State should be subject to the supervision and policy guidance of the Under Secretary of State for International Security and should have the following responsibilities:

''(1) ASSISTANT SECRETARY FOR ARMS CONTROL AND NON-PROLIFERATION AFFAIRS.—(A) There shall be an Assistant Secretary of State for Arms Control and Non-Proliferation Affairs who shall—

''(i) develop and coordinate policy on non-proliferation of weapons of mass destruction (including nuclear, chemical, and biological weapons and missile technology) and nuclear and conventional arms control; and

''(ii) prepare for and operate United States participation in international control systems

that may result from United States arms control activities.

''(B) DEPUTY ASSISTANT SECRETARIES.—(i) There shall be four Deputy Assistant Secretaries of State who shall report to the Assistant Secretary of State for Arms Control and Non-Proliferation Affairs for the following matters, respectively:

''(I) Verification of compliance with arms control agreements (including memoranda of understanding).

''(II) Conventional arms control.

''(III) Nuclear nonproliferation.

''(IV) Control of weapons of mass destruction.

''(ii) One such Deputy Assistant Secretary shall serve as the principal Deputy to the Assistant Secretary.

''(2) ASSISTANT SECRETARY FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS.—There should be an Assistant Secretary of State for International Narcotics and Law Enforcement Affairs who should—

''(A) develop, coordinate, and implement international narcotics assistance activities delegated to the Secretary of State under chapter

8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 et seq.);

''(B) serve as principal point of contact and provide advice on international narcotics control matters for the Office of Management and Budget, the National Security Council, and the Executive Office of the President to ensure implementation of United States policy in narcotics matters; and

''(C) carry out international law enforcement activities of the Department of State under the International Narcotics Control Correction Act of 1994, including—

''(i) promoting law enforcement and policy initiatives bilaterally or multilaterally which are of high priority to the national interest of the United States;

''(ii) promoting improved coordination among United States policy and law enforcement agencies for their activities outside the United States; and

''(iii) developing law enforcement training programs to strengthen and stabilize democracies throughout the world.

"(3) ASSISTANT SECRETARY FOR POLITICAL-MILITARY AFFAIRS.—There should be an Assistant Secretary of State for Political-Military Affairs who should—

"(A) serve as the Department's primary liaison with the Department of Defense;

"(B) seek to further United States national security objectives by—

"(i) stabilizing regional military balances through negotiations and security assistance;

"(ii) maintaining global access for United States military forces;

"(iii) inhibiting the access by adversaries to militarily significant technologies; and

"(iv) promoting responsible United States defense trade; and

"(C) coordinate with the Department of Defense on issues involving United States participation in United Nations peacekeeping activities.

"(4) ASSISTANT SECRETARY FOR HUMANITARIAN ASSISTANCE, REFUGEES, AND MIGRATION AFFAIRS.—There should be an Assistant Secretary

of State for Humanitarian Assistance, Refugees, and Migration Affairs who should—

''(A) recommend and implement policy on humanitarian assistance and refugee and migration affairs;

''(B) operate United States refugee programs abroad, carried out in cooperation with other governments, private and international organizations, and other United States government agencies;

''(C) carry out programs relating to the relief and repatriation of refugees, and the selection and processing of refugees to be admitted to the United States;

''(D) implement abroad United States programs for disaster preparedness, relief, and rehabilitation, incorporating activities previously carried out by the Office of Foreign Disaster Assistance of the Agency for International Development; and

''(E) function as primary coordination point for United States' international humanitarian emergency response efforts.

''(e) ASSISTANT SECRETARIES REPORTING TO THE UNDER SECRETARY OF STATE FOR PUBLIC DIPLO-

MACY.—Except as provided in paragraph (2), the following Assistant Secretary of State and officials of the Department of State should be subject to the supervision and policy guidance of the Under Secretary of State for Public Diplomacy and should have the following responsibilities:

"(1) ASSISTANT SECRETARY FOR INTERNATIONAL EXCHANGES.—

"(A) IN GENERAL.—There shall be an Assistant Secretary of State for International Exchanges who shall—

"(i) administer programs carried out under the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87–256) so as to ensure that such programs support United States interests abroad and reflect the values of the people of the United States;

"(ii) develop and implement policy for, and provide professional guidance, materials, and other program support to, the libraries and binational centers of the Department of State abroad;

"(iii) administer fine arts programs and performing arts programs abroad, including arranging for tours abroad of

United States performing arts groups and fine arts exhibitions; and

''(iv) develop and implement other programs in support of United States interests abroad, including programs for the identification and recruitment of individuals to speak of such interests abroad and for establishing links between United States and foreign cultural institutions.

''(B) OFFICE OF THE ASSISTANT SECRETARY.—There shall be within the Office of the Assistant Secretary of State for International Exchanges the Office of Program Coordination. The Secretary of State, acting through the Office, shall be responsible for tracking identification and coordination of all United States Government sponsored non-military international exchange programs. The Office shall be charged to identify and make recommendations to the President on programs that are duplicative and, therefore, should be eliminated.

''(2) CHAIRMAN OF THE BROADCASTING BOARD OF GOVERNORS AND THE DIRECTOR OF THE INTERNATIONAL BROADCASTING OFFICE.—The Chairman

of the Broadcasting Board of Governors and the Director of the International Broadcasting Office shall have the responsibilities set forth for those positions in title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

''(f) ASSISTANT SECRETARIES REPORTING TO THE UNDER SECRETARY OF STATE FOR MANAGEMENT.—The following Assistant Secretaries of State should be subject to the supervision and policy guidance of the Under Secretary of State for Management and should have the following responsibilities:

''(1) ASSISTANT SECRETARY FOR CONSULAR AFFAIRS.—There should be an Assistant Secretary of State for Consular Affairs who should develop, coordinate, and implement policy relating to the protection and welfare of United States citizens and interests abroad, the issuance of passports and visas, and the provision of other consular services.

''(2) ASSISTANT SECRETARY FOR ADMINISTRATION.—There should be an Assistant Secretary of State for Administration who should—

''(A) develop, coordinate, and implement policy, programs, and activities for the provision of administrative support for the Department of State, including support for building operations

of the Department in the United States and abroad, support for information management, support for telecommunications, support for the Diplomatic Contingency Program of the Department, support for travel abroad by the President and the Vice President, and support for schools for dependents of Department personnel abroad;

''(B) manage acquisition activities of the Department in the United States;

''(C) oversee acquisition activities of the Department abroad;

''(D) ensure the provision of supply and transportation services to the Department; and

''(E) ensure the provision of language services for the Secretary of State, the Executive Office of the President, and other officials of the Federal Government.

''(3) ASSISTANT SECRETARY FOR DIPLOMATIC SECURITY.—There should be an Assistant Secretary of State for Diplomatic Security who should—

''(A) develop, coordinate, and implement policy for the purpose of ensuring the security of personnel who conduct United States diplo-

macy and promote United States interests abroad;

''(B) assign security personnel to posts abroad for the purpose referred to in subparagraph (A);

''(C) carry out the duties set forth in the Omnibus Diplomatic Security Act of 1986 (22 U.S.C. 4801 et seq.); and

''(D) administer through the Office of Foreign Missions, the authorities relating to the regulation of foreign missions under title II of this Act.

''(g) POSITIONS REPORTING TO THE SECRETARY OF STATE.—There should be in the Department of State, the following officials who should be appointed by the President, by and with the advice and consent of the Senate, and who should report to the Secretary of State and who should have the following responsibilities:

''(1) ASSISTANT SECRETARY OF STATE FOR INTELLIGENCE AND STRATEGIC PLANS.—There should be an Assistant Secretary of State for Intelligence and Strategic Plans, who should—

''(A) provide the Secretary, the Deputy Secretary, and Department principals with intelligence information, briefings, analysis, and

coordination necessary to carry out the President's foreign policy;

''(B) serve as primary adviser to the Secretary of State and intelligence briefer for senior Department policymakers;

''(C) undertake strategic (medium- and long-term) policy studies and analyses, and keep policymakers aware of strategic trends in areas of current or potential policy interest''; and

''(D) provide the intelligence community guidance as necessary to help ensure products are focused adequately to support policymakers.

''(2) ASSISTANT SECRETARY OF STATE FOR LEGISLATIVE AFFAIRS.—There should be an Assistant Secretary of State for Legislative Affairs, who should—

''(A) supervise and coordinate all foreign affairs-related legislative activities within the Department of State and among the Department, Congress, and other agencies;

''(B) supervise and coordinate all personnel of the Department who are designated or assigned legislative responsibilities and who

should report to the Assistant Secretary of State for Legislative Affairs;

''(C) ensure that congressional perspectives are considered in the foreign policymaking process, that the administration's views are accurately presented to Congress, and that a coordinated legislative strategy is implemented by executive branch agencies; and

''(D) be responsible for rating and reviewing all employees of any bureau whose duties comprise primarily of legislative matters.''.

(b) ASSUMPTION OF DUTIES BY INCUMBENT APPOINTEES.—An individual holding an office immediately prior to the date of enactment of this Act—

(1) who was appointed to the office by the President, by and with the advice and consent of the Senate; and

(2) who performs duties substantially similar to the duties of an office created or proposed to be created under section 1B of the State Department Basic Authorities Act of 1956,

may, in the discretion of the Secretary of State, assume the duties of such new office, and shall not be required to be reappointed by reason of the enactment of that section.

SEC. 2474. OTHER STATE DEPARTMENT POSITIONS.

(a) AMENDMENT TO STATE DEPARTMENT BASIC AUTHORITIES ACT.—Section 1B of the State Department Basic Authorities Act of 1956, as added by this Act, is amended by adding at the end the following new section:

"SEC. 1C. OTHER STATE DEPARTMENT POSITIONS.

''(a) GENERAL COUNSEL.—

''(1) There should be a General Counsel, who should be appointed by the President, by and with the advice and consent of the Senate, who should be paid at the rate provided for positions at level IV of the Executive Schedule, and who should—

''(A) serve as principal adviser to the Secretary and, through the Secretary, to the President on all matters of international law arising in the conduct of United States foreign relations; and

''(B) provide general legal advice and services to the Secretary and other officials of the Department on matters with which the Department and overseas posts are concerned.

''(2) The General Counsel should assume the functions previously exercised by the Legal Adviser.

''(b) POSITIONS REPORTING TO THE UNDER SECRETARY OF STATE FOR MANAGEMENT.—The following of-

ficials within the Department of State should report directly to the Under Secretary of State for Management:

"(1) CHIEF FINANCIAL OFFICER.—There is in the Department of State a Chief Financial Officer who is appointed and paid in accordance with section 901 of title 31, United States Code, and who shall—

"(A) serve as the Department's Budget Officer and shall manage the financial affairs of the Department, consistent with section 902 of title 31, United States Code;

"(B) ensure adequate systems within the Department for the production of reliable and timely financial and related programmatic information;

"(C) develop financial analysis and performance reports regarding the activities of the Department; and

"(D) integrate functions of the Department related to budget execution and financial accounting.

"(2) DIRECTOR GENERAL OF THE FOREIGN SERVICE.—There should be a Director General of the Foreign Service who should be appointed by the President, by and with the advice and consent of the

Senate, and who should be paid at the rate of pay provided for positions at level IV of the Executive Schedule. The Director General should—

''(A) act as principal advisor to the Secretary of State on all matters relating to the Foreign Service, including matters relating to recruitment, training, professional development, assignment, and utilization of Foreign Service personnel;

''(B) provide joint training for all such personnel and ensure the assignment of such personnel to positions that require and provide experience in a variety of disciplines; and

''(C) perform such functions in connection with the administration of the Foreign Service as the Secretary of State may prescribe.

''(3) DIRECTOR OF PERSONNEL.—There should be within the Department of State a Director of Personnel who should be appointed by the President, by and with the advice and consent of the Senate, and who should be paid at the rate of pay provided for positions at level IV of the Executive Schedule. The Director of Personnel should—

''(A) implement policies and programs for personnel of the Department of State, including

personnel under the Civil Service system, personnel under the Foreign Service System (in consultation with the Director General for the Foreign Service), and personnel who are Foreign Service National employees; and

''(B) oversee activities of the National Center for Humanities, Education, Languages, and Management Studies.''.

(b) CONFORMING REPEAL.—Section 208 of the Foreign Service Act of 1980 (22 U.S.C. 3928), relating to the Director General of the Foreign Service, is repealed.

(c) ASSUMPTION OF DUTIES BY INCUMBENT APPOINTEES.—An individual holding an office immediately prior to the date of enactment of this Act—

(1) who was appointed to the office by the President, by and with the advice and consent of the Senate; and

(2) who performs duties substantially similar to the duties of an office created or proposed to be created under section 1C of the State Department Basic Authorities Act of 1956,

may, at the discretion of the Secretary of State, assume the duties of such new office, and shall not be required to be reappointed by reason of the enactment of that section.

SEC. 2475. INSPECTOR GENERAL FOR FOREIGN AFFAIRS.

(a) TERM OF SERVICE; LIMITATION ON APPOINTMENT.—Section 209(a)(1) of the Foreign Service Act of 1980 (22 U.S.C. 3929) is amended—

(1) in the first sentence, by striking ''Inspector General of the Department of State and the Foreign Service'' and inserting ''Inspector General for Foreign Affairs''; and

(2) by inserting after the first sentence the following new sentences: ''The Inspector General shall serve a term of six years. The Inspector General may be reappointed by the President, by and with the advice and consent of the Senate, for an additional term or terms of six years each. No career member of the Foreign Service, as defined in section 103, may be appointed Inspector General.''.

(b) REDESIGNATION OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE AS INSPECTOR GENERAL FOR FOREIGN AFFAIRS.—(1) The Inspector General Act of 1978 (5 U.S.C. App. 3) is amended—

(A) by redesignating section 8G (as added by section 104(a) of Public Law 100–504) and section 8G (as added by section 105 of Public Law 100–504) as sections 8H and 8I, respectively; and

(B) by inserting after section 8F the following:

''SPECIAL PROVISIONS RELATING TO THE INSPECTOR GENERAL FOR FOREIGN AFFAIRS

''SEC. 8G. In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of State (also known as the 'Inspector General for Foreign Affairs') shall exercise the authorities of section 209 of the Foreign Service Act of 1980 (including authorities with respect to the Broadcasting Board of Governors).''.

(2) Section 5315 of title 5, United States Code, is amended by striking ''Inspector General, Department of State'' and inserting ''Inspector General for Foreign Affairs, Department of State''.

(3) Section 413 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4861) is repealed.

(c) REPEAL RELATING TO THE INSPECTOR GENERAL FOR THE UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY.—Section 50 of the Arms Control and Disarmament Act (22 U.S.C. 2593a), relating to the ACDA Inspector General, is repealed.

(d) CONFORMING AMENDMENTS RELATING TO THE INSPECTOR GENERAL OF THE UNITED STATES INFORMATION AGENCY.—(1) Section 11 of the Inspector General Act of 1978 (5 U.S.C. App. 3) is amended—

(A) in paragraph (1), by striking ''or the United States Information Agency''; and

(B) in paragraph (2), by striking ''the United States Information Agency,''.

(2) Section 5315 of title 5, United States Code, is amended by striking ''Inspector General, United States Information Agency.''

(e) CONFORMING AMENDMENTS AND REPEAL RELATING TO THE INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—(1) Section 11 of the Inspector General Act of 1978 (5 U.S.C. App. 3) is amended—

(A) in paragraph (1), by striking ''Agency for International Development,''; and

(B) in paragraph (2), by striking ''the Agency for International Development,''.

(2) Section 239(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(e)) is amended by striking ''Inspector General of the Agency for International Development'' and inserting ''Inspector General for Foreign Affairs''.

(3) Section 8A of the Inspector General Act of 1978 (5 U.S.C. App. 3) is repealed.

(4) Section 5315 of title 5, United States Code, is amended by striking ''Inspector General, Agency for International Development.''.

(f) ASSUMPTION OF DUTIES BY INCUMBENT APPOINTEE.—An individual holding the office of Inspector General of the Department of State immediately prior to the effective date contained in subsection (g)(4)—

(1) who was appointed to the office by the President, by and with the advice and consent of the Senate; and

(2) who performs duties substantially similar to the duties of an office created under the amendments made by subsections (a) and (b),

may, in the discretion of the Secretary of State, assume the duties of such new office, and shall not be required to be reappointed by reason of the enactment of this section.

(g) EFFECTIVE DATES.—The following shall be the effective dates for amendments and repeals made by this section:

(1) The repeal made by subsection (c), on the effective date of title XII.

(2) The amendments made by subsection (d), on the effective date of title XIII.

(3) The amendments and repeal made by subsection (e), on the effective date of title XIV.

(4) The amendments and repeal made by subsections (a) and (b), on the effective date of title XII, title XIII, or title XIV, whichever occurs first.

SEC. 2476. RATES OF PAY.

(a) UNDER SECRETARIES OF STATE.—Section 5314 of title 5, United States Code, is amended by striking ''Under Secretaries of State (5).'' and inserting the following:

''Under Secretary of State for Policy.

''Under Secretary of State for Export, Trade, Economics, and Business.

''Under Secretary of State for International Security.

''Under Secretary of State for Public Diplomacy.

''Under Secretary of State for Management.''.

(b) ASSISTANT SECRETARIES OF STATE.—Section 5315 of such title is amended by striking out ''20 Assistant Secretaries of State and 4 other State Department officials to be appointed by the President by and with the advice and consent of the Senate.'' and inserting the following:

''In addition to other positions of the Department of State specifically referenced in this section, 18 Assistant Secretaries of State and 4 other State

Department officials who are appointed by the President, by and with the advice and consent of the Senate.

''Assistant Secretary of State for Arms Control and Non-Proliferation Affairs.

''Assistant Secretary of State for International Exchanges.''.

SEC. 2477. REPEAL OF PREVIOUSLY CREATED STATE DEPARTMENT POSITIONS.

(a) ASSISTANT SECRETARY FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS.—Section 9(a) of the Department of State Appropriations Authorization Act of 1973 (22 U.S.C. 2655a(a)) is repealed.

(b) CONFORMING AMENDMENTS RELATING TO THE ASSISTANT SECRETARY FOR DEMOCRACY, HUMAN RIGHTS, AND LABOR.—The Foreign Assistance Act of 1961 is amended—

(1) in section 116(c) (22 U.S.C. 2151n(c)), by striking ''Assistant Secretary of State for Democracy, Human Rights, and Labor'' and inserting ''Secretary'';

(2) in sections 502B(b) (22 U.S.C. 2304(b)), 502B(c)(1) (22 U.S.C. 2304(c)), and 505(g)(4)(A) (22 U.S.C. 2314(g)(4)(A)), by striking '', prepared

with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor,'' each place it appears; and

(3) in section 573(c) (22 U.S.C. 2349aa–2(c)), by striking ''Assistant Secretary of State for Democracy, Human Rights, and Labor'' and inserting ''Secretary of State''.

(c) ASSISTANT SECRETARY FOR SOUTH ASIAN AFFAIRS.—Subsections (a), (b), and (e) of section 122 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2652b) are repealed.

(d) DEPUTY ASSISTANT SECRETARY FOR BURDENSHARING.—Section 161(f) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2651a note) is repealed.

SEC. 2478. LIMITATION ON PERSONNEL STRENGTH OF THE DEPARTMENT OF STATE.

(a) END FISCAL YEAR 1996 LEVELS.—The number of employees of the Department of State (including members of the Foreign Service) who are authorized to be employed as of February 28, 1997, shall not exceed a number which is 9 percent less than the number of such employees who are so employed immediately prior to the date of enactment of this Act.

(b) END FISCAL YEAR 1997 LEVELS.—The number of employees of the Department of State (including members of the Foreign Service) who are authorized to be employed as of September 30, 1997, shall not exceed a number which is 3 percent less than the number of such employees who are authorized to be so employed as of February 28, 1997.

(c) END FISCAL YEAR 1998 LEVELS.—The number of employees of the Department of State (including members of the Foreign Service) who are authorized to be employed as of September 30, 1998, shall not exceed a number which is 2 percent less than the number of such employees who are authorized to be so employed as of September 30, 1997.

SEC. 2479. CONSOLIDATION OF UNITED STATES DIPLOMATIC MISSIONS AND CONSULAR POSTS.

(a) CONSOLIDATION PLAN.—The Secretary of State shall develop a worldwide plan for the consolidation, wherever practicable, on a regional or areawide basis, of United States missions and consular posts abroad in order to carry out this section.

(b) CONTENTS OF PLAN.—The plan shall—

(1) identify the specific United States diplomatic missions and consular posts for consolidation;

(2) identify those missions and posts at which the resident ambassador would also be accredited to other specified states in which the United States either maintained no resident official presence or maintained such a presence only at staff level; and

(3) provide an estimate of—

(A) the amount by which expenditures would be reduced through the reduction in the number of United States Government personnel assigned abroad;

(B) the amount by which expenditures would be reduced through a reduction in the costs of maintaining United States properties abroad; and

(C) the amount of revenues generated to the United States through the sale or other disposition of United States properties associated with the posts to be consolidated abroad.

(c) TRANSMITTAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of State shall transmit a copy of the plan to the appropriate congressional committees.

(d) IMPLEMENTATION.—Not later than 60 days after transmittal of the plan under subsection (c), the Secretary of State shall take steps to implement the plan unless the

Congress before such date enacts legislation disapproving the plan.

(e) CONGRESSIONAL PRIORITY PROCEDURES.—(1) A joint resolution described in paragraph (2) which is introduced in a House of Congress after the date on which a plan developed under subsection (a) is received by Congress, shall be considered in accordance with the procedures set forth in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473 (98 Stat. 1936)), except that—

(A) references to the ''report described in paragraph (1)'' shall be deemed to be references to the joint resolution; and

(B) references to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) A joint resolution under this paragraph is a joint resolution the matter after the resolving clause of which is as follows: ''That the Congress disapproves the plan submitted by the President on _____ pursuant to

section 2409 of the Restructuring a Limited Government Act.''.

(f) WITHHOLDING OF FUNDS.—Effective 180 days after the date of enactment of this Act, if the plan was not timely transmitted pursuant to subsection (c), then five percent of the funds made available for the Department of State for each of the fiscal years 1996, 1997, 1998, and 1999 under the account ''Diplomatic and Consular Programs'' (''Administration of Foreign Affairs'') shall be withheld from obligation and expenditure until 60 days after the President transmits to Congress a revised plan developed under subsection (a).

(g) RESUBMISSION OF PLAN.—If, within 60 days of transmittal of a plan under subsection (c), Congress enacts legislation disapproving the plan, the President shall transmit to the appropriate congressional committees a revised plan developed under subsection (a).

(h) STATUTORY CONSTRUCTION.—Nothing in this section requires the termination of United States diplomatic or consular relations with any foreign country.

(i) DEFINITIONS.—As used in this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on International Re-

lations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) PLAN.—The term ''plan'' means the plan developed under subsection (a).

SEC. 2480. DETAIL OF OTHER AGENCY PERSONNEL TO STATE DEPARTMENT.

Any employee of any agency other than the Department of State who is assigned to an overseas post located within any United States mission except for those assigned to a military command shall be detailed to the Department of State for the duration of such assignment, and shall be fully under the authority of the Chief of Mission. The Chief of Protocol, at the sole discretion of the Secretary of State, shall accord diplomatic titles, privileges, and immunities to any such employees as the Secretary of State deems appropriate.

SEC. 2481. REPORT ON UNIFICATION OF UNITED STATES AND FOREIGN COMMERCIAL SERVICE AND FOREIGN AGRICULTURAL SERVICE WITHIN THE FOREIGN SERVICE.

(a) REQUIREMENT.—Not later than 120 days after the date of the enactment of this Act, the President shall, in coordination with the Secretary of State, the Secretary of Commerce, and the Secretary of Agriculture shall joint-

ly transmit to Congress the report described in subsection (b).

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) An assessment of the extent of the coordination and cooperation in international activities of the Department of State, the Department of Commerce, and the Department of Agriculture.

(2) An assessment of the advisability and desirability of establishing in the Foreign Service of the Department of State a core discipline relating to the commercial, trade development, and export promotion activities of the United States.

(3) If such a core discipline is desirable—

(A) a discussion of the options for establishing the core discipline, including—

(i) the integration of the United States and Foreign Commercial Service and the Foreign Agricultural Service into the Foreign Service; and

(ii) the continuation of the United States and Foreign Commercial Service and the Foreign Agricultural Service as separate services; and

(B) an assessment of the advantages and disadvantages (including the costs and savings) of each such option.

(4) If such a core discipline is not desirable, an assessment of the advisability and desirability of the continuing application of the Foreign Service Act of 1980 to the United States and Foreign Commercial Service and the Foreign Agricultural Service.

TITLE III—SCIENCE, SPACE, AND TECHNOLOGY

Subtitle A—Administrative and Research Savings

SEC. 3001. NUCLEAR ENERGY RESEARCH AND DEVELOPMENT.

There are authorized to be appropriated to the Secretary of Energy for carrying out the Department's nuclear energy research and development activities—

(1) $331,000,000 for fiscal year 1996;

(2) $331,000,000 for fiscal year 1997;

(3) $331,000,000 for fiscal year 1998;

(4) $331,000,000 for fiscal year 1999; and

(5) $331,000,000 for fiscal year 2000.

SEC. 3002. NATIONAL SCIENCE FOUNDATION GRANT APPLICATION FEE.

The National Science Foundation shall require that any application for a grant submitted to it be accompanied by a $50 application fee, which shall be deposited in the general fund of the Treasury.

SEC. 3003. HIGH PERFORMANCE COMPUTING PROGRAM.

The total amount which may be appropriated for all activities under the High Performance Computing Act of 1991 shall not exceed $865,500,000 for each of the fiscal years 1996 through 2000.

Subtitle B—Specific Program Reforms

SEC. 3011. NATIONAL SCIENCE FOUNDATION.

There are authorized to be appropriated to the National Science Foundation for all activities of the National Science Foundation—

(1) $337,620,000 for fiscal year 1996;

(2) $344,372,400 for fiscal year 1997;

(3) $351,259,848 for fiscal year 1998;

(4) $358,285,044 for fiscal year 1999; and

(5) $365,450,754 for fiscal year 2000.

SEC. 3012. SPACE STATION.

The Administrator of the National Aeronautics and Space Administration may not enter into any contract in

furtherance of a space station program. This section shall cease to be effective after September 30, 1999.

SEC. 3013. CANCELLATION OF NATIONAL AEROSPACE PLANE.

The Secretary of Defense and the Administrator of the National Aeronautics and Space Administration shall cancel the National Aerospace Plane program. No amount may be obligated for that program after the date of the enactment of this Act, except for required contract termination costs.

TITLE IV—ENERGY

Subtitle A—Abolishment of Department of Energy

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the ''Department of Energy Abolishment Act''.

CHAPTER 1—ABOLISHMENT OF DEPARTMENT OF ENERGY

SEC. 4011. REESTABLISHMENT OF DEPARTMENT AS ENERGY PROGRAMS RESOLUTION AGENCY.

(a) REESTABLISHMENT.—The Department of Energy is hereby redesignated as the Energy Programs Resolution Agency, which shall be an independent agency in the executive branch of the Government.

(b) ADMINISTRATOR.—

(1) IN GENERAL.—There shall be at the head of the Agency an Administrator of the Agency, who shall be appointed by the President, by and with the advice and consent of the Senate. The Agency shall be administered under the supervision and direction of the Administrator. The Administrator shall receive compensation at the rate prescribed for level II of the Executive Schedule under section 5313 of title 5, United States Code.

(2) INITIAL APPOINTMENT OF ADMINISTRATOR.—Notwithstanding any other provision of this subtitle or any other law, the President may, at any time after the date of the enactment of this Act, appoint an individual to serve as Administrator of the Energy Programs Resolution Agency (who may be the Secretary of Energy), as such position is established under paragraph (1). An appointment under this paragraph may not be construed to affect the position of Secretary of Energy or the authority of the Secretary before the effective date specified in section 4019(a).

(c) DUTIES.—The Administrator shall be responsible for—

(1) the administration and wind-up, during the wind-up period, of all functions of the Administrator

pursuant to section 4012 and the other provisions of this subtitle;

(2) the administration and wind-up, during the wind-up period, of any outstanding obligations of the Federal Government under any programs terminated or repealed by this subtitle; and

(3) taking such other actions as may be necessary, before the termination date, to wind up any outstanding affairs of the Department of Energy.

SEC. 4012. FUNCTIONS.

Except as otherwise provided in this subtitle, the Administrator shall perform all functions that, immediately before the effective date of this section, were functions of the Department of Energy (or any office of the Department) or were performed by the Secretary of Energy or any other officer or employee of the Department in the capacity as such officer or employee.

SEC. 4013. DEPUTY ADMINISTRATOR.

The Agency shall have a Deputy Administrator, who shall—

(1) be appointed by and report to the Administrator; and

(2) shall perform such functions as may be delegated by the Administrator.

SEC. 4014. CONTINUATION OF SERVICE OF DEPARTMENT OFFICERS.

(a) CONTINUATION OF SERVICE OF SECRETARY.—The individual serving on the effective date specified in section 4019(a) as the Secretary of Energy may serve and act as Administrator until the date an individual is appointed under this chapter to the position of Administrator, or until the end of the 120-day period provided for in section 3348 of title 5, United States Code (relating to limitations on the period of time a vacancy may be filled temporarily), whichever is earlier.

(b) CONTINUATION OF SERVICE OF OTHER OFFICERS.—An individual serving on the effective date specified in section 4019(a) as an officer of the Department of Energy other than the Secretary of Energy may continue to serve and act in an equivalent capacity in the Agency until the date an individual is appointed under this chapter to the position of Administrator, or until the end of the 120-day period provided for in section 3348 of title 5, United States Code (relating to limitations on the period of time a vacancy may be filled temporarily) with respect to that appointment, whichever is earlier.

(c) COMPENSATION FOR CONTINUED SERVICE.—Any person—

(1) who acts as the Administrator under subsection (a), or

(2) who serves under subsection (b),

after the effective date specified in section 4019(a) and before the first appointment of a person as Administrator shall continue to be compensated for so serving at the rate at which such person was compensated before such effective date.

SEC. 4015. REORGANIZATION.

The Administrator may allocate or reallocate any function of the Agency pursuant to this subtitle among the officers of the Agency, and may establish, consolidate, alter, or discontinue in the Energy Programs Resolution Agency any organizational entities that were entities of the Department of Energy, as the Administrator considers necessary or appropriate.

SEC. 4016. ABOLISHMENT OF ENERGY PROGRAMS RESOLUTION AGENCY.

(a) IN GENERAL.—Effective on the termination date under subsection (d), the Energy Programs Resolution Agency is abolished.

(b) ABOLITION OF FUNCTIONS.—Except for functions transferred or otherwise continued by this subtitle, all functions that, immediately before the termination date, were functions of the Energy Programs Resolution Agency are abolished effective on the termination date.

(c) PLAN FOR WINDING UP AFFAIRS.—Not later than the effective date specified in section 4019(a), the President shall submit to the Congress a plan for winding up the affairs of the Agency in accordance with this subtitle and not by later than the termination date under subsection (d).

(d) TERMINATION DATE.—The termination date under this subsection is the date that is 3 years after the date of the enactment of this Act.

SEC. 4017. GAO REPORT.

Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Congress a report which shall include recommendations for the most efficient means of achieving, in accordance with this subtitle—

(1) the complete abolishment of the Department of Energy; and

(2) the termination or transfer or other continuation of the functions of the Department of Energy.

SEC. 4018. CONFORMING AMENDMENTS.

(a) PRESIDENTIAL SUCCESSION.—Section 19(d)(1) of title 3, United States Code, is amended by striking ''Secretary of Energy,''.

(b) EXECUTIVE DEPARTMENTS.—Section 101 of title 5, United States Code, is amended by striking the following item:

''The Department of Energy.''.

(c) SECRETARY'S COMPENSATION.—Section 5312 of title 5, United States Code, is amended by striking the following item:

''Secretary of Energy.''.

(d) DEPUTY SECRETARY'S COMPENSATION.—Section 5313 of title 5, United States Code, is amended by striking the following item:

''Deputy Secretary of Energy.''.

(e) UNDER SECRETARY'S COMPENSATION.—Section 5314 of title 5, United States Code, is amended by striking the following item:

''Under Secretary, Department of Energy.''.

(f) MISCELLANEOUS OFFICERS' COMPENSATION.—Section 5315 of title 5, United States Code, is amended—

(1) by striking the following items:

''Assistant Secretaries of Energy (8).

''General Counsel of the Department of Energy.

''Administrator, Economic Regulatory Administration, Department of Energy.

''Administrator, Energy Information Administration, Department of Energy.

''Inspector General, Department of Energy.

''Director, Office of Energy Research, Department of Energy.''; and

(2) by striking the following item:

''Chief Financial Officer, Department of Energy.''.

(g) INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 9(a)(1), by striking subparagraph (E);

(2) in section 11(1), by striking ''Energy,''; and

(3) in section 11(2), by striking ''Energy,'';

(h) DEPARTMENT OF ENERGY ORGANIZATION ACT.—Effective on the termination date, the following provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.) are repealed:

(1) Section 4001.

(2) Chapters 1, 2, and 3.

SEC. 4019. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on the date that is 6 months after the date of the enactment of this Act.

(b) PROVISIONS EFFECTIVE ON DATE OF ENACTMENT.—The following provisions of this chapter shall take effect on the date of the enactment of this Act:

(1) Section 4011(b).

(2) Section 4016(c).

(3) Section 4017.

CHAPTER 2—ENERGY LABORATORY FACILITIES

SEC. 4021. ENERGY LABORATORY FACILITIES COMMISSION.

(a) ESTABLISHMENT.—There is established an independent commission to be known as the ''Energy Laboratory Facilities Commission'', for the purpose of reducing the number of energy laboratories and programs at those laboratories, through reconfiguration, privatization, and closure, while preserving the traditional role the energy laboratories have contributed to the national defense.

(b) DUTIES.—The Commission shall carry out the duties specified for the Commission in this chapter.

(c) APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 7 members appointed by the President, by and with the advice and consent of the Senate. The President shall transmit to the Senate the nominations for appointment to the Commission not

later than 3 months after the date of the enactment of this Act.

(2) CONSULTATION.—In selecting individuals for nominations for appointments to the Commission, the President should consult with—

(A) the Speaker of the House of Representatives concerning the appointment of 2 members; and

(B) the majority leader of the Senate concerning the appointment of 2 members.

(3) CHAIRPERSON.—At the time the President nominates individuals for appointment to the Commission, the President shall designate one such individual who shall serve as Chairperson of the Commission.

(d) TERMS.—The term of each member of the Commission shall expire on the termination of the Commission under subsection (l).

(e) MEETINGS.—Each meeting of the Commission, other than meetings in which classified information is to be discussed, shall be open to the public.

(f) VACANCIES.—A vacancy in the Commission shall be filled in the same manner as the original appointment.

(g) PAY AND TRAVEL EXPENSES.—

(1) BASIC PAY.—

(A) PAY OF MEMBERS.—Each member, other than the Chairperson, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(B) PAY OF CHAIRPERSON.—The Chairperson shall be paid for each day referred to in subparagraph (A) at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) TRAVEL EXPENSES.—Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(h) DIRECTOR.—

(1) IN GENERAL.—The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a Director who—

(A) has not served as a civilian employee of the Department of Energy during the 2-year period preceding the date of such appointment;

(B) has not been an employee of an energy laboratory during the 5-year period preceding the date of such appointment; and

(C) has not been an employee of a contractor operating an energy laboratory during the 5-year period preceding the date of such appointment.

(2) PAY.—The Director shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—

(1) APPOINTMENT BY DIRECTOR.—Subject to paragraphs (2) and (3), the Director, with the approval of the Commission, may appoint and fix the pay of additional personnel.

(2) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed 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 annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) LIMITATIONS.—Not more than one-third of the personnel employed by or detailed to the Commission shall be individuals employed by the Department of Energy on the day before the date of the enactment of this Act. No employee of an energy laboratory, or of a contractor who operates an energy laboratory, may be detailed to the Commission.

(4) SUPPORT FROM OTHER AGENCIES.—Upon request of the Director, the head of a Federal agency may detail any of the personnel of that agency to the Commission to assist the Commission in carrying out its duties under this chapter.

(5) SUPPORT FROM COMPTROLLER GENERAL.—The Comptroller General of the United States shall provide assistance, including the detailing of employees, to the Commission in accordance with an agreement entered into with the Commission.

(j) OTHER AUTHORITY.—

(1) TEMPORARY AND INTERMITTENT SERVICES.—The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(2) AUTHORITY TO LEASE SPACE AND ACQUIRE CERTAIN PROPERTY.—The Commission may lease space and acquire personal property to the extent funds are available. To the extent practicable, the Commission shall use suitable real property available under the most recent inventory of real property assets published by the Resolution Trust Corporation under section 21A(b)(11)(F) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(12)(F)).

(k) FUNDING.—There are authorized to be appropriated to the Commission such funds as are necessary to carry out its duties under this chapter. Such funds shall remain available until expended.

(l) TERMINATION.—The Commission shall terminate not later than 30 days after the date on which it transmits its final recommendations under section 4022(f)(4).

SEC. 4022. PROCEDURE FOR MAKING RECOMMENDATIONS FOR LABORATORY FACILITIES.

(a) SELECTION CRITERIA.—In making recommendations for the reconfiguration, privatization, and closure of

energy laboratories and termination of programs at such laboratories under this section, the Secretary or the Administrator, as appropriate, and the Commission shall—

(1) give strong consideration to the closure or reconfiguration of energy laboratories;

(2) eliminate duplication of effort by energy laboratories and reduce overhead costs as a proportion of program benefits distributed through an energy laboratory;

(3) seek to achieve cost savings for the overall budget for such laboratories;

(4) define appropriate missions for each energy laboratory, and ensure that the activities of each such laboratory are focused on its mission or missions;

(5) consider the program costs and program distributions on a State and county basis, including real and personal property costs associated with each energy laboratory considered;

(6) consider the number of participants in programs conducted through an energy laboratory and staff resources involved;

(7) estimate the cost savings and increases that would accrue through the reconfiguration of energy laboratories;

(8) consider the potential of each energy laboratory to generate revenues or to offset costs;

(9) consider the transfer of energy laboratories to other Federal agencies;

(10) consider the privatization of the energy laboratories as an alternative to closure or reconfiguration; and

(11) be subject to the requirements of section 4061 of this subtitle.

(b) RECOMMENDATIONS.—

(1) PUBLICATION AND TRANSMITTAL.—Not later than 3 months after the date of the enactment of this Act, the Secretary or the Administrator, as appropriate, shall publish in the Federal Register and transmit to the congressional energy committees and to the Commission a list of the energy laboratories that the Secretary or the Administrator, as appropriate, recommends for reconfiguration, privatization, and closure.

(2) SUMMARY OF SELECTION PROCESS.—The Secretary or the Administrator, as appropriate, shall include, with the list of recommendations published and transmitted pursuant to paragraph (1), a summary of the selection process that resulted in the

recommendation for each energy laboratory, including a justification for each recommendation.

(c) EQUAL CONSIDERATION OF LABORATORIES.—In considering energy laboratories for reconfiguration, privatization, and closure, the Secretary or the Administrator, as appropriate, shall consider all such laboratories equally without regard to whether a laboratory has been previously considered or proposed for reconfiguration, privatization, or closure by the Secretary of Energy.

(d) AVAILABILITY OF INFORMATION.—The Secretary or the Administrator, as appropriate, shall make available to the Commission and the Comptroller General of the United States all information used by the Secretary or the Administrator, as appropriate, in making recommendations under this section.

(e) INDEPENDENT AUDIT.—(1) Within 30 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall issue a request for proposals for the performance of an audit under paragraph (3).

(2) Within 60 days after the date of the enactment of this Act, proposals shall be due in response to the request under paragraph (1).

(3) Within 90 days after the date of the enactment of this Act, the Director of the Office of Management and

budget shall enter into a contract with an independent financial consulting firm for an audit of the energy laboratories and their programs, facilities, and assets. Such audit shall assess the commercial potential of the energy labs and their programs and make recommendations on how the Government could best realize such potential. The audit shall be completed and transmitted to the Commission, the Secretary or the Administrator, as appropriate,, and the congressional energy committees within 6 months after the contract is entered into under this subsection.

(f) REVIEW AND RECOMMENDATIONS BY THE COMMISSION.—

(1) PUBLIC HEARINGS.—After receiving the recommendations from the Secretary or the Administrator, as appropriate, pursuant to subsection (b), the Commission shall provide an opportunity for public comment on the recommendations for a 30-day period.

(2) INITIAL REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commission shall publish in the Federal Register an initial report containing the Commission's findings and conclusions based on a review and analysis of the recommendations made by the Secretary or the Administrator, as appropriate, and the audit con-

ducted pursuant to subsection (e), together with the Commission's recommendations for reconfiguration, privatization, and closure of energy laboratories. In conducting such review and analysis, the Commission shall consider all energy laboratories.

(3) DEVIATION FROM RECOMMENDATIONS.—In making its recommendations, the Commission may make changes in any of the recommendations made by the Secretary or the Administrator, as appropriate, if the Commission determines that the Secretary or the Administrator, as appropriate, deviated substantially from the criteria described in subsection (a) in making recommendations. The Commission shall explain and justify in the report any recommendation made by the Commission that is different from the recommendations made by the Secretary or the Administrator, as appropriate.

(4) FINAL REPORT.—After providing a 30-day period for public comment following publication of the initial report under paragraph (2), and after full consideration of such public comments, the Commission shall, within 15 months after the date of the enactment of this Act, transmit to the Secretary or the Administrator, as appropriate, and the congres-

sional energy committees a final report containing the recommendations of the Commission.

(5) PROVISION OF CERTAIN INFORMATION.—After transmitting the final report under paragraph (4), the Commission shall promptly provide, upon request, to any Member of Congress information used by the Commission in making its recommendations.

(g) ASSISTANCE FROM COMPTROLLER GENERAL.—The Comptroller General of the United States shall—

(1) assist the Commission, to the extent requested, in the Commission's review and analysis of the recommendations made by the Secretary or the Administrator, as appropriate, pursuant to subsection (b); and

(2) not later than 6 months after the date of the enactment of this Act, transmit to the congressional energy committees and to the Commission a report containing a detailed analysis of the recommendations of the Secretary or the Administrator, as appropriate, and the selection process.

SEC. 4023. RECONFIGURATION, PRIVATIZATION, AND CLOSURE OF ENERGY LABORATORIES.

(a) IN GENERAL.—Subject to subsection (b), the Secretary or the Administrator, as appropriate, shall—

(1) reconfigure, within 1 year after the date of the transmittal of the final report under section 4022(f)(4), all energy laboratories recommended for reconfiguration by the Commission in such report;

(2) provide for and complete the privatization, within 18 months after the date of the transmittal of the final report under section 4022(f)(4), of all energy laboratories recommended for privatization by the Commission in such report; and

(3) except as necessary to achieve the privatization of an energy laboratory under paragraph (2), close, within 1 year after the date of the transmittal of the final report under section 4022(f)(4), all energy laboratories recommended for closure by the Commission in such report.

(b) CONGRESSIONAL DISAPPROVAL.—

(1) IN GENERAL.—The Secretary or the Administrator, as appropriate, may not carry out any reconfiguration, privatization, or closure of an energy laboratory recommended by the Commission in the report transmitted pursuant to section 4022(f)(4) if a joint resolution is enacted, in accordance with the provisions of section 4027, disapproving the recommendations of the Commission before the earlier of—

(A) the end of the 45-day period beginning on the date on which the Commission transmits the report; or

(B) the adjournment of Congress sine die for the session during which the report is transmitted.

(2) For purposes of paragraph (1) of this subsection and subsections (a) and (c) of section 4027, the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of a period.

SEC. 4024. IMPLEMENTATION OF RECONFIGURATION, PRIVATIZATION, AND CLOSURE ACTIONS.

(a) IMPLEMENTATION.—In reconfiguring, privatizing, or closing an energy laboratory under this chapter, the Secretary or the Administrator, as appropriate, shall—

(1) take such actions as may be necessary to reconfigure, privatize, or close the energy laboratory;

(2) take such steps as may be necessary to ensure the safe keeping of all records stored at the energy laboratory; and

(3) reimburse other Federal agencies for actions performed at the request of the Secretary or

the Administrator, as appropriate, with respect to any such reconfiguration, privatization, or closure, and may use for such purpose funds in the Account or funds appropriated to the Department of Energy and available for such purpose.

(b) MANAGEMENT AND DISPOSAL OF PROPERTY.—

(1) IN GENERAL.—The Administrator of General Services shall delegate to the Secretary or the Administrator, as appropriate, with respect to excess and surplus real property and facilities located at an energy laboratory reconfigured, privatized, or closed under this chapter—

(A) the authority of the Secretary or the Administrator, as appropriate, to utilize excess property under section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483);

(B) the authority of the Secretary or the Administrator, as appropriate, to dispose of surplus property under section 203 of that Act (40 U.S.C. 484);

(C) the authority of the Secretary or the Administrator, as appropriate, to grant approvals and make determinations under section

13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)); and

(D) the authority of the Secretary or the Administrator, as appropriate, to determine the availability of excess or surplus real property for wildlife conservation purposes in accordance with the Act of May 19, 1948 (16 U.S.C. 667b).

(2) EXERCISE OF AUTHORITY.—

(A) IN GENERAL.—Subject to subparagraph (C), the Secretary or the Administrator, as appropriate, shall exercise the authority delegated to the Secretary or the Administrator, as appropriate, pursuant to paragraph (1) in accordance with—

(i) all regulations in effect on the date of the enactment of this Act governing the utilization of excess property and the disposal of surplus property under the Federal Property and Administrative Services Act of 1949; and

(ii) all regulations in effect on the date of the enactment of this Act governing the conveyance and disposal of property under section 13(g) of the Surplus

Property Act of 1944 (50 U.S.C. App. 1622(g)).

(B) REGULATIONS.—The Secretary or the Administrator, as appropriate, after consulting with the Administrator of General Services, may issue regulations that are necessary to carry out the delegation of authority required by paragraph (1).

(C) LIMITATION.—The authority required to be delegated by paragraph (1) to the Secretary or the Administrator, as appropriate, by the Administrator of General Services shall not include the authority to prescribe general policies and methods for utilizing excess property and disposing of surplus property.

(c) WAIVER.—The Secretary or the Administrator, as appropriate, may reconfigure, privatize, or close energy laboratories under this chapter without regard to any provision of law restricting the use of funds for reconfiguring, privatizing, or closing such energy laboratories included in any appropriations or authorization Act.

SEC. 4025. ACCOUNT.

(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the ''Energy Laboratory Facility Closure Account'' which

shall be administered by the Secretary or the Administrator, as appropriate, as a single account.

(b) CONTENT OF ACCOUNT.—There shall be deposited into the Account—

(1) funds authorized for and appropriated to the Account;

(2) any funds that the Secretary or the Administrator, as appropriate, may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Energy for any purpose, except that such funds may be transferred only after the date on which the Secretary or the Administrator, as appropriate, transmits written notice of, and justification for, such transfer to the congressional energy committees; and

(3) proceeds received from the transfer or disposal of any property at an office reconfigured, privatized, or closed under this section.

(c) USE OF FUNDS.—The Secretary or the Administrator, as appropriate, may use the funds in the Account only for the purposes described in section 4024(a).

(d) REPORTS.—

(1) IN GENERAL.—Not later than 60 days after the end of each fiscal year in which the Secretary or the Administrator, as appropriate, carries out activi-

ties under this chapter, the Secretary or the Administrator, as appropriate, shall transmit a report to the congressional energy committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 4024(a) during such fiscal year.

(2) UNOBLIGATED FUNDS.—Unobligated funds shall be held in the Account until transferred by law.

SEC. 4026. REPORTS ON IMPLEMENTATION.

As part of the budget request for each fiscal year in which the Secretary or the Administrator, as appropriate, is authorized to carry out activities under this chapter, the Secretary or the Administrator, as appropriate, shall transmit to the congressional energy committees—

(1) a schedule of the reconfiguration, privatization, and closure actions to be carried out under this chapter in the fiscal year for which the request is made and an estimate of the total expenditures required and cost savings to be achieved by each such reconfiguration, privatization, or closure and of the time period in which these savings are to be achieved in each case; and

(2) a description of the energy laboratories to which functions are to be transferred as a result of such reconfigurations, privatizations, and closures.

SEC. 4027. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT.

(a) TERMS OF THE RESOLUTION.—For purposes of section 4023(b), the term ''joint resolution'' means only a joint resolution which is introduced within the 10-day period beginning on the date on which the Commission transmits the report to the Congress under section 4022(f)(4), and—

(1) which does not have a preamble;

(2) the matter after the resolving clause of which is as follows: ''That Congress disapproves the recommendations of the Energy Laboratory Facilities Commission as submitted on _____'', the blank space being filled in with the appropriate date; and

(3) the title of which is as follows: ''Joint resolution disapproving the recommendations of the Energy Laboratory Facilities Commission.''.

(b) REFERRAL.—A resolution described in subsection (a) that is introduced in the House of Representatives shall be referred to the Committee on National Security and the Committee on Science of the House of Representatives. A resolution described in subsection (a) introduced

in the Senate shall be referred to the Committee on Armed Services and the Committee on Energy and Natural Resources of the Senate.

(c) DISCHARGE.—If the committee to which a resolution described in subsection (a) is referred has not reported such resolution (or an identical resolution) by the end of the 20-day period beginning on the date on which the Commission transmits the report to the Congress under section 4022(f)(4), such committee shall be, at the end of such period, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) CONSIDERATION.—

(1) IN GENERAL.—On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under subsection (c)) from further consideration of, such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution (but only on the day after the calendar day on which such Member announces to the House concerned the Member's intention to do so). All points of order against the resolution (and against

consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the resolution shall remain the unfinished business of the respective House until disposed of.

(2) DEBATE.—Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the

vote by which the resolution is agreed to or disagreed to is not in order.

(3) QUORUM CALL.—Immediately following the conclusion of the debate on a resolution described in subsection (a) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) APPEALS FROM DECISION OF CHAIR.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) CONSIDERATION BY OTHER HOUSE.—

(1) IN GENERAL.—If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a resolution described in paragraph (1) of the House receiving the resolution—

(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

(2) CONSIDERATION AFTER DISPOSITION BY OTHER HOUSE.—Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution that originated in the receiving House.

(f) RULES OF THE SENATE AND HOUSE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as

relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 4028. DEFINITIONS.

For purposes of this chapter:

(1) The term ''Account'' means the Energy Laboratory Facility Closure Account established in section 4025(a).

(2) The term ''Administrator'' has the meaning given such term in section 4089(1) of this subtitle.

(3) The term ''Commission'' means the Energy Laboratory Facilities Commission.

(4) The term ''congressional energy committees'' means the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives, the Committee on Science of the House of Representatives, and the Committee on Energy and Natural Resources of the Senate.

(5) The term ''energy laboratory'' means the Lawrence Livermore National Laboratory, the Los Alamos National Laboratory, the Sandia National Laboratories, the Argonne National Laboratory, the Brookhaven National Laboratory, the Idaho National Engineering Laboratory, the Lawrence Berke-

ley Laboratory, the Oak Ridge National Laboratory, the Pacific Northwest Laboratory, the National Renewable Energy Laboratory, the Ames Laboratory, the Bates Linear Accelerator Laboratory, the Bettis Atomic Power Laboratory, the Continuous Electron Beam Accelerator Facility, the Energy Technology Engineering Center, the Environmental Measurements Laboratory, the Fermi National Accelerator Laboratory, the Inhalation Toxicology Research Institute, the Knolls Atomic Power Laboratory, the Laboratory of Radiobiology and Environmental Health, the Morgantown Energy Technology Center, the National Renewable Energy Laboratory, the New Brunswick Laboratory, the Oak Ridge Institute for Science and Education, the Pittsburgh Energy Technology Center, the Princeton Plasma Physics Laboratory, the Savannah River Ecology Laboratory, the Savannah River Technology Center, the Specific Manufacturing Capability Facility, or the Stanford Linear Accelerator Facility.

(6) The term ''the Secretary or the Administrator, as appropriate'' means the Secretary of Energy, or, after the effective date stated in section 4019(a), the Administrator.

CHAPTER 3—PRIVATIZATION OF FEDERAL POWER MARKETING ADMINISTRTIONS

SEC. 4031. SHORT TITLE.

This chapter may be cited as the ''Federal Power Asset Privatization Act of 1995''.

SEC. 4032. FINDINGS.

The Congress finds that:

(1) the Federal Power Marketing Administrations, over the years, have served to help bring electricity to many areas in the Nation;

(2) they have done so with the investment of the American taxpayer;

(3) the necessity of federally owned power generation and transmission facilities has passed and halting this practice is in the best national interest of the United States;

(4) in fairness to the longtime consumers of Federal Power Marketing Administrations, any process of sale should be open to them;

(5) the taxpayers, through investing in the construction and operation, have established equity in the facilities; and

(6) this equity entitles the American taxpayer to expect the highest possible return in the sale process.

SEC. 4033. SALE OF ASSETS.

(a) SALE OF ASSETS.—The Secretary is authorized and directed to take such steps as necessary to sell all electric power generation facilities and transmission facilities, that are currently owned and operated by Federal departments and agencies under the supervision of, or coordination with, the Federal Power Marketing Administrations. No foreign person or corporation may purchase any such facilities; such facilities may be sold only to a United States citizen or to a corporation or partnership organized under the laws of a State. After such sales are completed the Secretary shall terminate the operations of the Federal Power Marketing Administrations. The heads of other affected Federal departments and agencies shall assist the Secretary of Energy in implementing the sales authorized by this section.

(b) PRICE; STRUCTURE OF SALE.—

(1) PRICE.—The Secretary shall obtain the highest possible price for such facilities. In determining the highest possible price, the value of future tax revenues shall be included.

(2) RETENTION OF FINANCIAL ADVISOR.—In order to conduct the sales authorized by this section in such manner as will produce the highest possible price for the facilities to be sold consistent with this chapter, within 30 days of enactment of this section,

the Secretary shall, through a competitive bidding process, retain an experienced private sector firm to serve as financial advisor to the Secretary with respect to such sales.

(3) FINANCIAL ADVISOR'S REPORT.—Within 90 days of being retained by the Secretary, the financial advisor shall provide to the Secretary a report containing—

(A) a description of those assets described in subsection (a) which, in the opinion of the financial advisor, can be successfully transferred to private sector ownership or operation;

(B) the value of each such asset, calculated on the basis of the valuation method or methods which the financial advisor deems most appropriate to a particular asset;

(C) the appropriate alternative transactional methods for transferring each such asset to private sector ownership or operation;

(D) the amount of proceeds which the financial advisor estimates would be paid to the United States Government as a result of such transaction, including the present value of future revenue from taxes and any other future

payments to be made to the United States Government; and

(E) an estimate of the average market rate for wholesale electric power sales within each region served by a Federal Power Marketing Administration.

(c) TIME OF SALE.—Sales of facilities under this section shall be conducted in accordance with the time of sale schedule set forth in section 4034. At least one year before the date of any sale specified in such schedule, the Secretary, in consultation with the Secretary of the Army and the Secretary of the Interior, and based on the recommendations of the financial advisor, shall select the facilities or groups of facilities to be sold and establish the terms and conditions of the sale.

(d) FORMER EMPLOYEES OF PMAS.—It is the sense of the Congress that the purchaser of any such facilities should offer to employ, where possible, former employees of the Federal Power Marketing Administrations in connection with the operation of the facilities following their purchase.

(e) PROCEEDS.—The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

(f) PREPARATION.—The Secretary of Energy is authorized to use funds appropriated to the Department of Energy for the Federal Power Marketing Administrations and funds otherwise appropriated to other Federal agencies for power generation and related activities in order to prepare these assets for sale and conveyance. Such preparation shall provide sufficient title to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the assets to be sold and shall include identification of all associated laws and regulations to be amended for the purpose of these sales. The Secretary of Energy shall undertake a study of the effect of sales of facilities under this chapter on existing contracts for the sale of electric power generated at such facilities.

(g) REPORTING OF SALES.—Not later than one year after the sale of the assets of each Federal Power Marketing Administration in accordance with this chapter, the Secretary of Energy shall—

(1) complete the business of, and close out, such administration; and

(2) prepare and submit to Congress a report documenting the sales.

(h) TREATMENT OF SALES FOR PURPOSES OF CERTAIN LAWS.—The sales of assets under this chapter shall

not be considered a disposal of Federal surplus property under the following provisions of law:

(1) Section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484).

(2) Section 13 of the Surplus Property Act of 1944 (50 U.S.C. App. 1622).

SEC. 4034. TIME OF SALES.

(a) SCHEDULE.—During the next 5 years, the Secretary of Energy shall complete the sale of the electric power generation and transmission assets referred to in section 4033 in accordance with the following schedule:

Power Administration	Sale Completion Date
Alaska	Before September 30, 1996
Southeastern	Before September 30, 1997
Southwestern	Before September 30, 1998
Western Area	Before September 30, 1999
Bonneville	Before September 30, 2000

(b) UNEXPENDED BALANCES.—Following the sale of the assets of each of the Federal Power Marketing Administrations and their associated power generation facilities, the Secretary of Energy shall return the unexpended balances of funds appropriated for that administration to the Treasury of the United States.

SEC. 4035. RATE STABILIZATION FOR AFFECTED CONSUMERS.

So that the affected consumers of each Federal Power Marketing Administration are not impacted by severe rate increases, each purchaser of electric power generation facilities providing electric power to customers within any region shall be required, as part of the agreement to purchase such facilities, to insure that the price at which electric power is sold to such consumers does not increase above the baseline price at a rate greater than 10 percent annually. For purposes of this section, the term ''baseline price'' means the price for the sale of electric power to a consumer that is in effect on the date of the sale of the facility. The preceding sentence shall cease to apply when the price at which electric power is sold to a consumer is at least equal to the average market rate for wholesale electric power sales within the region concerned, as determined by the Financial Advisor.

SEC. 4036. LICENSING OF PROJECTS TO PRESERVE CURRENT OPERATING CONDITIONS.

(a) ORIGINAL LICENSE.—Simultaneously with the sale of hydroelectric generation facility under this chapter, the Federal Energy Regulatory Commission shall issue an original license under part 1 of the Federal Power Act (16 U.S.C. 791a–823b) to the purchaser for the construction, operation, and maintenance of such facility. Such li-

cense shall expire on the date 10 years after the date of the sale facility and shall contain standard terms and conditions for hydroelectric power licenses issued under part 1 of such Act for facilities installed at Federal water projects, together with such additional terms and conditions as the Commission deems necessary, in consultation with the department or agency which operates such water project, to further the project purposes and insure that the project will continue operations in the same manner and subject to the same procedures, contracts, and other requirements as were applicable prior to the sale. The Commission shall publish such license terms and conditions for each facility to be sold under this chapter as promptly as practicable after the date of the enactment of this Act but not later than one year prior to the date established for the sale of the facility.

(b) LICENSE REQUIRED.—Notwithstanding any other provision of law, the Federal Energy Regulatory Commission shall have jursidiction under part 1 of the Federal Power Act over any hydroelectric generation facility sold under this chapter.

SEC. 4037. ENABLING FEDERAL STUDIES.

Section 505 of the Energy and Water Development Appropriations Act of 1993 (Public Law 102–377) is hereby repealed.

SEC. 4038. DEFINITIONS.

For purposes of this chapter:

(1) The term ''power generation facility'' means a facility used for the generation of electric energy. If any portion of a structure or other facility is used for flood control, water supply, or other purposes in addition to the generation of electric energy, such term refers only to that portion of the structure or facility used exclusively for the generation of electric energy, including turbines, generators, controls, substations, and primary lines used for transmitting electric energy therefrom to the point of juncture with the interconnected primary transmission system. Such term shall not include any portion of a facility used for navigation, flood control, irrigation, water supply, or recreation.

(2) The term ''Secretary'' means the Secretary of Energy or any successor agency. If any such agency terminates prior to the complete execution of all duties vested in the Secretary of Energy under this chapter, such duties shall be vested in the Secretary of the Interior.

CHAPTER 4—TRANSFER AND DISPOSAL OF RESERVES

SEC. 4041. STRATEGIC PETROLEUM RESERVE.

(a) TRANSFER OF FUNCTIONS.—There are hereby transferred to the Secretary of the Interior all functions performed by the Department of Energy with respect to the Strategic Petroleum Reserve on the day before the effective date of this section.

(b) DISPOSAL OF CERTAIN RESERVES.—The Secretary of the Interior shall dispose of the reserves held at Weeks Island, Louisiana, in a manner that provides for minimal disruption of petroleum markets.

(c) ADVISORY BOARD.—(1) The Secretary of the Interior shall appoint an advisory board, consisting of 3 individuals with experience in oil markets and production and international relations, which shall—

(A) monitor the disposal of reserves under subsection (b) and its effects on petroleum markets; and

(B) within 60 days after the completion of such disposal, submit to the Congress a report containing recommendations as described in paragraph (2).

(2) The advisory board shall make recommendations on whether the United States should maintain or dispose of the Strategic Petroleum Reserve, based on information obtained pursuant to paragraph (1)(A) and any other rel-

evant information the advisory board obtains. If the advisory board recommends maintaining the Strategic Petroleum Reserve, it shall include recommendations for administering the Reserve, and if it recommends disposing of the Reserve, it shall include recommendations for procedures for carrying out such disposal.

(3) Notwithstanding section 14 of the Federal Advisory Committee Act, the advisory board established under this subsection shall terminate within 30 days after it submits a report under paragraph (1)(B).

(d) EFFECTIVE DATE.—This section shall take effect on the effective date stated in section 4019(a).

SEC. 4042. TRANSFER OF NAVAL PETROLEUM RESERVES TO DEPARTMENT OF THE INTERIOR WITH INSTRUCTIONS TO SELL THE RESERVES.

(a) TRANSFER OF JURISDICTION.—The Secretary of Energy shall transfer the naval petroleum reserves (as defined in section 7420(2) of title 10, United States Code) from the jurisdiction and control of the Department of Energy to the jurisdiction and control of the Department of the Interior. The transfer required by this subsection shall be made without compensation or reimbursement.

(b) TIME FOR TRANSFER.—The transfer required by subsection (a) shall be made as soon as possible after the

date of the enactment of this Act, but in no case later than one year after that date.

(c) SALE OF RESERVES REQUIRED.—Chapter 641 of title 10, United States Code, is amended by inserting after section 7421 the following new section:

"§ 7421a. Sale of naval petroleum reserves

''(a) SALE REQUIRED.—Notwithstanding any other provision of this chapter, the Secretary of the Interior shall sell all right, title, and interest of the United States in and to the naval petroleum reserves beginning on the date of the enactment of this section.

''(b) TIME FOR SALES.—The Secretary shall complete the sale of the naval petroleum reserves not later than one year after the date of the enactment of this section unless, as a result of the conditions specified in subsection (c), the Secretary determines a longer sale period is necessary. The Secretary shall notify Congress of any extension of the sale period.

''(c) CONDITIONS ON SALE.—Sales of the naval petroleum reserves under subsection (a) may not be for less than fair market value, as determined by the Secretary on the basis of appraisals performed by recognized experts in the field. The Secretary shall conduct sales using competitive procedures. The Secretary may establish such bidding terms and conditions as the Secretary considers to

be necessary and appropriate, including the establishment of sale units and minimum bids. The Secretary shall structure sale units and times so as to prevent disruption of world petroleum markets.

''(d) EFFECT ON EXISTING CONTRACTS AND LEASES.—Sales of the naval petroleum reserves under subsection (a) shall be subject to leases of any part of the naval petroleum reserves, permits, licenses, easements, grazing and agricultural leases, rights-of-way, and similar contracts pertaining to use of the surface area of the naval petroleum reserves and in effect on the date of the enactment of this section. Such sales shall also be subject to contracts, in effect on the date of the enactment of this section, to sell the petroleum produced from any part of the naval petroleum reserves.

''(e) PURCHASER TO BE HELD HARMLESS.—A purchaser of any right, title, or interest of the United States in the naval petroleum reserves shall be held harmless for any claim of liability arising exclusively from or during the ownership of the interest by the United States. Such a claim of liability may be asserted against the United States only to the extent and in the manner provided by law.

''(f) REQUIREMENTS REGARDING CONSULTATION AND APPROVAL.—The congressional consultation and

Presidential approval requirements of section 7431(a) of this title regarding each individual sale of a portion of the naval petroleum reserves shall not apply to sales under this section.''.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7421 the following new item:

''7421a. Sale of naval petroleum reserves.''.

(e) CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Chapter 641 of title 10, United States Code, is amended—

(1) in section 7420(4), by striking ''Secretary of Energy'' and inserting ''Secretary of the Interior'';

(2) in section 7427, by striking ''of the Interior'';

(3) in section 7430(d), by striking '', in consultation with the Secretary of the Interior,''; and

(4) in section 7430(j), by striking ''he, or the Secretary of the Interior where the authority extends to him,''.

CHAPTER 5—NATIONAL SECURITY AND ENVIRONMENTAL MANAGEMENT PROGRAMS

SEC. 4051. DEFINITIONS.

In this chapter:

(1) The term ''defense nuclear programs matters'' means matters related to the military use of nuclear energy and nuclear weapons, including all such matters that were under the jurisdiction of the following entities on the day before the date of the enactment of this subtitle:

(A) The Department of Energy.

(B) The Defense Nuclear Agency of the Department of Defense.

(C) The Defense Nuclear Facilities Safety Board.

(2) The term ''Under Secretary'' means the Under Secretary of Defense for Defense Nuclear Programs.

(3) The term ''Agency'' means the Defense Nuclear Programs Agency.

SEC. 4052. ESTABLISHMENT AND ORGANIZATION OF DEFENSE NUCLEAR PROGRAMS AGENCY.

(a) ESTABLISHMENT OF DEFENSE NUCLEAR PROGRAMS AGENCY.—There is established an agency in the

Department of Defense to be known as the Defense Nuclear Programs Agency.

(b) UNDER SECRETARY.—The Agency shall be headed by an Under Secretary for Defense Nuclear Programs, who shall serve as the principal adviser to the Secretary of Defense on defense nuclear programs matters. In carrying out his duties under this chapter, the Under Secretary for Defense Nuclear Programs shall, subject to the authority, direction, and control of of the Secretary of Defense, have primary responsibility within the Government for defense nuclear programs matters. The Under Secretary shall be appointed by the President, by and with the advice and consent of the Senate. A commissioned officer of the Armed Forces serving on active duty may not be appointed Under Secretary. The Under Secretary shall be compensated at the rate provided for level II of the Executive Schedule under section 5313 of title 5, United States Code.

(c) DEPUTY UNDER SECRETARY.—A Deputy Under Secretary for Defense Nuclear Programs shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Under Secretary shall perform such duties and exercise such powers as the Under Secretary for Defense Nuclear Programs may prescribe. The Deputy Under Secretary shall act for, and exercise

the powers of, the Under Secretary during the Under Secretary's absence or disability or during a vacancy in such office. A commissioned officer of the Armed Forces serving on active duty may not be appointed Deputy Under Secretary. The Deputy Under Secretary shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(d) ASSISTANT SECRETARIES.—(1) Four Assistant Secretaries of the Agency shall be appointed by the President, by and with the advice and consent of the Senate. They shall perform such duties and exercise such powers as the Under Secretary may prescribe.

(2) One of the Assistant Secretaries shall have as his principal duty the overall supervision of environmental restoration of defense nuclear weapons facilities.

(3) One of the Assistant Secretaries shall have as his principal duty the overall supervision of the oversight of the defense and nondefense functions and budgets of the Sandia National Laboratories, the Los Alamos National Laboratory, and the Lawrence Livermore National Laboratory (or whatever laboratories (or portions of laboratories) carrying out the functions of such laboratories remain after reconfiguration, privatization, or closure (if any) pursuant to chapter 2).

(4) Each Assistant Secretary shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(e) INSPECTOR GENERAL.—There shall be an Inspector General of the Agency, who shall be appointed as provided in section 3 of the Inspector General Act of 1978 (5 U.S.C. App. 3). The Inspector General shall perform the duties, have the responsibilities, and exercise the powers specified in the Inspector General Act of 1978 (5 U.S.C. App. 3).

(f) GENERAL COUNSEL.—There shall be a General Counsel of the Agency, who shall be appointed by the Under Secretary. The General Counsel shall be the chief legal officer for all legal matters arising from the conduct of the functions of the Agency. The General Counsel shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

SEC. 4053. FUNCTIONS OF DEFENSE NUCLEAR PROGRAMS AGENCY.

(a) IN GENERAL.—The Under Secretary for Defense Nuclear Programs shall be responsible for the exercise of all powers and the discharge of all duties of the Agency.

(b) TRANSFERRED FUNCTIONS.—The Under Secretary for Defense Nuclear Programs shall carry out all

functions transferred to the Under Secretary pursuant to section 4054.

(c) STAFF DIRECTOR OF NUCLEAR WEAPONS COUNCIL.—Paragraph (2) of section 179(c) of title 10, United States Code, is amended to read as follows:

''(2) The Under Secretary for Defense Nuclear Programs shall be the Staff Director of the Council.''.

SEC. 4054. TRANSFERS OF FUNCTIONS.

(a) DEPARTMENT OF ENERGY.—(1) There are hereby transferred to the Under Secretary for Defense Nuclear Programs all functions performed by the Department of Energy on the day before the date of the enactment of this subtitle relating to the national security functions of the Department, including defense, nonproliferation, and defense-related environmental management programs.

(2) There are hereby transferred to the Under Secretary for Defense Nuclear Programs all functions performed by the Department of Energy on the day before the date of the enactment of this subtitle relating to the oversight of the defense and nondefense functions and budgets of the following laboratories:

(A) Sandia National Laboratories, Albuquerque, New Mexico, and Livermore, California.

(B) Los Alamos National Laboratory, Los Alamos, New Mexico.

(C) Lawrence Livermore National Laboratory, California.

(b) DEFENSE NUCLEAR AGENCY.—There are hereby transferred to the Under Secretary for Defense Nuclear Programs all functions performed by the Defense Nuclear Agency of the Department of Defense on the day before the date of the enactment of this subtitle relating to nuclear weapons systems.

(c) DEFENSE NUCLEAR FACILITIES SAFETY BOARD.—There are hereby transferred to the Under Secretary for Defense Nuclear Programs all functions performed by the Defense Nuclear Facilities Safety Board on the day before the date of the enactment of this subtitle.

(d) OTHER NUCLEAR WEAPONS-RELATED FUNCTIONS.—The Secretary of Defense may transfer to the Under Secretary for Defense Nuclear Programs such other functions performed in the Department of Defense on the day before the date of the enactment of this subtitle relating to nuclear weapons as the Secretary considers appropriate.

(e) CONFORMING REPEALS.—

(1) ASSISTANT TO THE SECRETARY OF DEFENSE FOR ATOMIC ENERGY.—Section 141 of title 10, United States Code, is hereby repealed. The table of sections at the beginning of chapter 4 of

such title is amended by striking out the item relating to such section.

(2) DEFENSE NUCLEAR FACILITIES SAFETY BOARD.—Chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286) is hereby repealed.

(3) REFERENCES.—Any reference to the Assistant Secretary of Defense for Atomic Energy or the Defense Nuclear Facilities Safety Board in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Under Secretary for Defense Nuclear Programs.

SEC. 4055. LIMITATION ON TRANSFERS OF FUNDS.

No amount appropriated to the Agency may be transferred to any other account (other than another account of the Agency) unless the transfer of such amount to such account is specifically authorized by law. No amount appropriated to the Department of Defense or another department or agency may be transferred to the Under Secretary for Defense Nuclear Programs or to an account for the Agency unless the transfer of such amount to such account is specifically authorized by law.

SEC. 4056. TRANSITION PROVISIONS.

(a) EXERCISE OF AUTHORITIES.—Except as otherwise provided by law, the Under Secretary for Defense

Nuclear Programs may, for purposes of performing a function that is transferred to the Under Secretary by this chapter, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of that function on the day before the date of the enactment of this subtitle.

(b) AUTHORITIES TO WIND UP AFFAIRS.—

(1) IN GENERAL.—(A) The Director of the Office of Management and Budget may take such actions as the Director considers necessary to wind up any outstanding affairs of the Department of Energy associated with the functions that are transferred pursuant to section 4054(a).

(B) The Secretary of Defense may take such actions as the Secretary considers necessary to wind up any outstanding affairs of the Defense Nuclear Agency associated with the functions that are transferred pursuant to section 4054(b), any outstanding affairs of the Department of Defense associated with any functions that may be transferred pursuant to section 4054(d), and any outstanding affairs of the Assistant to the Secretary of Defense for Atomic Energy.

(C) The Secretary of the Navy may take such actions as the Secretary considers necessary to wind up any outstanding affairs of the Strategic Systems Programs of the Department of the Navy associated with the functions that are transferred pursuant to section 4054(c).

(D) The Director of the Office of Management and Budget may take such actions as the Director considers necessary to wind up any outstanding affairs of the Defense Nuclear Facilities Safety Board.

(2) TRANSFER OF ASSETS.—So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with a function transferred to the Under Secretary for Defense Nuclear Programs by this chapter are transferred to the Under Secretary for use in connection with the functions transferred.

(3) FURTHER MEASURES AND DISPOSITIONS.—Such further measures and dispositions as the President considers necessary to effectuate the transfers referred to in subsection (b) shall be carried out in such manner as the President directs and by the heads of such agencies as the President designates.

SEC. 4057. TECHNICAL AND CONFORMING AMENDMENTS.

(a) INSPECTOR GENERAL ACT OF 1978.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1), by inserting after ''International Development,'' the following: ''the Defense Nuclear Programs Agency,''; and

(2) in paragraph (2), by striking out ''or the Social Security Administration;'' and inserting in lieu thereof ''the Social Security Administration, or the Defense Nuclear Programs Agency;''.

(b) EXECUTIVE SCHEDULE.—(1) Section 5313 of title 5, United States Code, is amended by adding at the end the following:

''Under Secretary for Defense Nuclear Programs.''.

(2) Section 5314 of title 5, United States Code, is amended by adding at the end the following:

''Deputy Under Secretary for Defense Nuclear Programs.''.

(3) Section 5315 of title 5, United States Code, is amended by adding at the end the following:

''Assistant Secretaries, Defense Nuclear Programs Agency (4).

''Inspector General, Defense Nuclear Programs Agency.''.

(4) Section 5316 of title 5, United States Code, is amended by adding at the end the following:

''General Counsel, Defense Nuclear Programs Agency.''.

SEC. 4058. EFFECTIVE DATE AND TRANSITION PERIOD.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this chapter shall take effect on the date of the enactment of this subtitle.

(b) DELAYED EFFECTIVE DATE FOR ESTABLISHMENT OF AGENCY AND TRANSFERS OF FUNCTIONS.—Section 4052(a) and section 4054 of this chapter shall take effect one year after the date of the enactment of this subtitle.

(c) TRANSITION PERIOD.—The Secretary of Defense, the Secretary of Energy, the Assistant to the Secretary of Defense for Atomic Energy, and the Defense Nuclear Facilities Safety Board shall, beginning as soon as practicable after the date of the enactment of this subtitle, plan for the orderly establishment of, and transfer of functions to, the Agency pursuant to this chapter.

(d) APPOINTMENT AUTHORITY.—The President may make appointments under section 4052 notwithstanding the delayed effective date under subsection (b) for the establishment of the Agency.

SEC. 4059. ENVIRONMENTAL RESTORATION ACTIVITIES AT DEFENSE NUCLEAR FACILITIES.

(a) AMENDMENT TO CERCLA.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by adding at the end the following new title:

"TITLE IV—ENVIRONMENTAL RESTORATION ACTIVITIES AT DEFENSE NUCLEAR FACILITIES

''Subtitle A—General Provisions

''Sec. 401. Applicability.
''Sec. 402. Definitions.

''Subtitle B—Selection of Remedial Action

''Sec. 411. Review of ongoing and planned remedial actions.
''Sec. 412. Selection of remedial action.
''Sec. 413. Site-specific risk assessment.
''Sec. 414. Analysis of risk reduction benefits and costs.

"Subtitle A—General Provisions

"SEC. 401. APPLICABILITY.

''Notwithstanding section 120, the provisions of this title shall apply with respect to selection of remedial actions at defense nuclear facilities.

"SEC. 402. DEFINITIONS.

''For purposes of this title:

''(1) The term 'defense nuclear facility' means—

''(A) a production facility or utilization facility (as those terms are defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014)) that is under the control or jurisdiction of the Under Secretary of Defense for Defense Nuclear Programs and that is operated for national security purposes (including the tritium loading facility at Savannah River, South Carolina, the 236 H facility at Savannah River, South Carolina; and the Mound Laboratory, Ohio), but the term does not include any facility that does not conduct atomic energy defense activities and does not include any facility or activity covered by Executive Order Number 12344, dated February 1, 1982, pertaining to the naval nuclear propulsion program;

''(B) a nuclear waste storage or disposal facility that is under the control or jurisdiction of the Under Secretary of Defense for Defense Nuclear Programs;

''(C) a testing and assembly facility that is under the control or jurisdiction of the Under Secretary of Defense for Defense Nuclear Programs and that is operated for national security purposes (including the Nevada Test Site, Ne-

vada; the Pinnellas Plant, Florida; and the Pantex facility, Texas);

''(D) an atomic weapons research facility that is under the control or jurisdiction of the Under Secretary of Defense for Defense Nuclear Programs (including the Lawrence Livermore, Los Alamos, and Sandia National Laboratories); or

''(E) any facility described in paragraphs (1) through (4) that—

''(i) is no longer in operation;

''(ii) was under the control or jurisdiction of the Department of Defense, the Atomic Energy Commission, the Energy Research and Development Administration, or the Department of Energy; and

''(iii) was operated for national security purposes.

''(2) The term 'Under Secretary' means the Under Secretary of Defense for Defense Nuclear Programs.

''(3) The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"Subtitle B—Selection of Remedial Action

"SEC. 411. REVIEW OF ONGOING AND PLANNED REMEDIAL ACTIONS.

''REVIEW OF ONGOING AND PLANNED ACTIVITIES.—(1) Not later than one year after the date of the enactment of this title, the Under Secretary shall review each remedial action described in paragraph (2) for purposes of determining whether the remedial action was selected in a manner consistent with the requirements of this subtitle. If the Under Secretary determines the selection was not consistent with the requirements of this subtitle, the Under Secretary shall require the remedial action to be halted and a new remedial action selected in a manner consistent with the requirements of this subtitle.

''(2) Paragraph (1) applies to any remedial action at a defense nuclear facility—

''(A) which is ongoing as of the date of the enactment of this title, including a facility for which construction is ongoing or has been completed as of such date; or

''(B) for which construction is planned but has not yet commenced as of such date of enactment.

"SEC. 412. SELECTION OF REMEDIAL ACTION.

''(a) IN GENERAL.—The Under Secretary shall select a remedial action for a defense nuclear facility based upon consideration of a site-specific risk assessment conducted in accordance with section 413 and an analysis of risk reduction benefits and costs conducted in accordance with section 414.

''(b) REQUIREMENT FOR LOWEST COST ACTION.—In selecting a remedial action, the Under Secretary shall select the lowest cost action which achieves a residual risk that is within the risk range goal established by the National Contingency Plan for protection of public health and the environment, unless—

''(1) the incremental benefits of a more expensive remedial action justify incurring the incremental costs of the more expensive remedy, as set forth in the analysis of risk reductions cost and benefits for the remedial action pursuant to section 414, in which case a more expensive remedy may be selected, or

''(2) the benefits of the lowest cost remedy which achieves a residual risk level within the risk range goal are not reasonably related to the costs of such remedy, in which case a less expensive remedy may be selected.

"(c) CONSULTATION.—Before selection a remedial action and before public comment under subsection (d), the Under Secretary shall consult with the Administrator, officials of State, local, or tribal governments having jurisdiction over the property or, in the case of property which is exclusively under Federal jurisdiction, having jurisdiction over the surrounding areas. Such consultation shall include discussion of, at a minimum, current area demographics, land and water uses, and currently planned land and water uses, the determination of which shall remain the sole purview of the appropriate State, local, or tribal government with jurisdiction.—

"(d) PUBLIC COMMENT.—Before selection of a remedial action, the Under Secretary shall provide a period of not less than 30 days for public comment on the remedial action.

"(e) CERTIFICATION.—The Under Secretary shall certify the following when selecting a remedial action:

"(1) That the analysis of risk reduction benefits and costs for the remedial action pursuant to section 414 is based on objective and unbiased scientific and economic evaluations of all significant and relevant information and on risk assessments provided to the agency by interested parties relating to the costs,

risks, and risk reduction and other benefits of the remedial action selected.

''(2) That the incremental risk reduction or other benefits of the remedial action will be likely to justify, and be reasonably related to, the incremental costs incurred by the Federal Government, by State, local, and tribal governments, and other public and private entities.

''(3) That other alternative remedial actions identified or considered by the agency were found to be less cost-effective at achieving a substantially equivalent reduction in risk.

''(f) ADMINISTRATIVE RECORD.—All documents considered by the Under Secretary shall be made part of the administrative record for purposes of judicial review.

"SEC. 413. SITE-SPECIFIC RISK ASSESSMENT.

''(a) IN GENERAL.—(1) A site-specific risk assessment shall be performed in accordance with this section before the selection of a remedial action at a defense nuclear facility. The Under Secretary shall apply the principles set forth in subsection (b) in order to ensure that a site-specific risk assessment—

''(A) distinguishes scientific findings from other considerations;

''(B) is, to the extent feasible, scientifically objective, unbiased, and inclusive of all relevant data; and

''(C) relies, to the extent available and practicable, on factual site-specific data.

''(2) Discussions or explanations required under this section need not be repeated in each risk assessment document as long as there is a reference to the relevant discussions or explanation in another agency document which is available to the public.

''(b) PRINCIPLES.—The principles to be applied in conducting a site-specific risk assessment are as follows:

''(1) When discussing human health risks, a site-specific risk assessment shall contain a discussion of both relevant laboratory and relevant epidemiologic data of sufficient quality which finds, or fails to find, a correlation between health risks and a potential toxin or activity. Where conflicts among such data appear to exist, or where animal data is used as a basis to assess human health, the site-specific risk assessment shall, to the extent feasible and appropriate, include discussion of possible reconciliation of conflicting information, and, as relevant, differences in study designs, comparative physiology, routes of exposure, bioavailability, pharmacokinetics,

and any other relevant factor, including the sufficiency of basic data for review. The discussion of possible reconciliation should indicate whether there is a biological basis to assume a resulting harm in humans. Animal data shall be reviewed with regard to its relevancy to humans.

''(2) Where a site-specific risk assessment involves selection of any significant default value, assumption, inference, or model, the risk assessment document shall, to the extent feasible—

''(A) present a representative list and explanation of plausible and alternative assumptions, inferences, or models;

''(B) explain the basis for any choices;

''(C) identify any policy or value judgments;

''(D) fully describe any model used in the risk assessment and make explicit the assumptions incorporated in the model; and

''(E) indicate the extent to which any significant model has been validated by, or conflicts with, empirical data.

''(3) The site-specific risk assessment shall meet each of the following requirements regarding risk characterization and communication:

''(A) The risk characterization shall describe the populations or natural resources which are the subject of the risk characterization. If a numerical estimate of risk is provided, the agency shall, to the extent feasible, provide—

''(i) the best estimate or estimates for the specific populations or natural resources which are the subject to the characterization (based on the information available to the Federal agency); and

''(ii) a statement of the reasonable range of scientific uncertainties.

In addition to such best estimate or estimates, the risk characterization document may present plausible upper-bound or conservative estimates in conjunction with plausible lower-bound estimates. Where appropriate, the risk characterization document may present, in lieu of a single best estimate, multiple best estimates based on assumptions, inferences, or models which are equally plausible, given current scientific understanding. To the extent practicable and appropriate, the document shall provide descriptions of the distribution and probability of risk esti-

mates to reflect differences in exposure variability or sensitivity in populations and attendance uncertainties. Sensitive subpopulations or highly exposed subpopulations include, where relevant and appropriate, children, the elderly, pregnant women, and disabled persons.

''(B) Exposure scenarios shall be based on actual exposure pathways and currently planned future land and water uses as established by any local governmental authorities with jurisdiction over the property and shall consider the availability of alternative water supplies. To the extent feasible, the site-specific risk assessment shall include a statement of the size of the population at risk under any proposed exposure scenario and the likelihood of such scenario. Exposure scenarios shall explicitly identify those exposure scenarios which result in plausible completed exposure pathways.

''(C) A site-specific risk assessment shall contain a statement that places the magnitude of risks to human health, safety, or the environment in context. Such statement shall, to the extent feasible, provide comparisons with estimates of greater, lesser, and substantially

equivalent risks that are familiar to and routinely encountered by the general public as well as other risks, and where appropriate and meaningful, comparisons of those risks with other similar risks regulated by the Federal agency resulting from comparable activities and exposure pathways. Such comparisons should consider relevant distinctions among risks, such as the voluntary or involuntary nature of risks and the preventability or nonpreventability of risks.

''(D) Each site-specific risk assessment shall include a statement of any significant substitution risks to human health, where information on such risks has been provided to the Under Secretary.

''(E) If a commenter provides the Under Secretary with a relevant risk assessment and a summary thereof in a timely fashion and the risk assessment is consistent with the principles and the guidance provided under this section, the Under Secretary shall, to the extent feasible, present such summary in connection with the presentation of the site-specific risk assessment. Nothing in this paragraph shall be con-

strued to limit the inclusion of any comments or material supplied by any person to the administrative record of any proceeding.

''(4) A site-specific risk assessment may satisfy the requirements of subparagraph (C), (D), or (E) of paragraph (3) by reference to information or material otherwise available to the public if the document provides a brief summary of such information or material.

"SEC. 414. ANALYSIS OF RISK REDUCTION BENEFITS AND COSTS.

''(a) IN GENERAL.—The Under Secretary shall prepare an analysis of risk reduction benefits and costs in accordance with this section before the selection of a remedial action at a defense nuclear facility.

''(b) CONTENTS OF ANALYSIS.—An analysis of risk reduction benefits and costs for a remedial action shall contain the following:

''(1) An identification of reasonable alternative strategies, including strategies that are proposed during a public comment period.

''(2) An analysis of the incremental costs and incremental risk reduction or other benefits associated with each alternative remedial action identified or considered. Costs and benefits shall be quantified

to the extent feasible and appropriate and may otherwise be qualitatively described.

''(3) A statement that places in context the nature and magnitude of the risks to be addressed and the residual risks likely to remain for each alternative strategy identified or considered by the Under Secretary. Such statement shall, to the extent feasible, provide comparisons with estimates of greater, lesser, and substantially equivalent risks that are familiar to and routinely encountered by the general public as well as other risks and, where appropriate and meaningful, comparisons of those risks with other similar risks regulated by the Federal Government resulting from comparable activities and exposure pathways. Such comparisons should consider relevant distinctions among risks, such as the voluntary or involuntary nature of risks and the preventability or nonpreventability of risks.

''(4) An analysis of whether the identified benefits of the remedial action are likely to exceed the identified costs of the remedial action.''.

(b) CONFORMING AMENDMENT.—Section 120(a)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(a)(3)) is amended by inserting after the second sen-

tence the following: ''This subsection also shall not apply to the extent otherwise provided in title IV with respect to selection of remedial actions at defense nuclear facilities.''.

(c) RENEGOTIATION OF COMPLIANCE AGREEMENTS.—

(1) REQUIREMENT.—For each defense nuclear facility with respect to which a compliance agreement has been entered into by the Secretary of Energy, the Environmental Protection Agency, and a State as of the date of the enactment of this subtitle, the Under Secretary of Defense for Defense Nuclear Programs shall enter into negotiations with the Environmental Protection Agency and the State concerned to renegotiate the terms of the compliance agreement to reflect title IV of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as added by subsection (a).

(2) DEADLINE.—The Under Secretary of Defense for Defense Nuclear Programs shall complete renegotiation of compliance agreements as required by paragraph (1) not later than one year after the date of the enactment of this subtitle.

CHAPTER 6—DISPOSITION OF MISCELLANEOUS PARTICULAR PROGRAMS, FUNCTIONS, AND AGENCIES OF DEPARTMENT

SEC. 4061. ENERGY RESEARCH AND DEVELOPMENT.

(a) GENERAL RULE.—Except as otherwise provided in this subtitle, Energy Supply Research and Development activities of the Department of Energy, including Basic Energy Sciences, Magnetic Fusion Energy, Solar and Renewable Energy, Nuclear Fission, and Biological and Environmental Sciences research and development, and all other research and development activities of the Department of Energy other than General Science and Research activities, shall be terminated within 2 years after the effective date stated in section 4064(a).

(b) CRITICAL RESEARCH.—

(1) ADMINISTRATOR.—Within 1 year of the date of the enactment of this Act, the Administrator shall identify in a report to Congress all research and development activities of the Department of Energy, other than activities carried out at energy laboratories (as such term is defined in section 4028(5) of this subtitle), that perform a critical research function of importance to the long-term economic wellbeing of the United States. Such report shall in-

clude recommendations for the transfer of such activities to appropriate Federal agencies.

(2) ENERGY LABORATORY FACILITIES COMMISSION.—Within 1 year of the date of the enactment of this Act, the Energy Laboratory Facilities Commission established under section 4021(a) of this subtitle shall identify in a report to Congress all research and development activities of the Department of Energy carried out at energy laboratories (as such term is defined in section 4028(5) of this subtitle), that perform a critical research function of importance to the long-term economic wellbeing of the United States. Such report shall include recommendations for the transfer of such activities to appropriate Federal agencies.

(3) COORDINATION.—The Administrator and the Energy Laboratory Facilities Commission shall coordinate the execution of their respective responsibilities under paragraphs (1) and (2).

(c) TERMINATION OF PROGRAMS.—

(1) CLEAN COAL TECHNOLOGY.—The Secretary of Energy shall terminate all clean coal technology research and development activities of the Department of Energy.

(2) FOSSIL ENERGY AND ENERGY CONSERVATION.—There are authorized to be appropriated to the Secretary of Energy—

(A) for fossil energy research and development activities of the Department of Energy—

(i) $150,000,000 for fiscal year 1996;

(ii) $135,000,000 for fiscal year 1997; and

(iii) $120,000,000 for fiscal year 1998; and

(B) for energy conservation research and development activities of the Department of Energy—

(i) $427,000,000 for fiscal year 1996;

(ii) $412,000,000 for fiscal year 1997; and

(iii) $397,000,000 for fiscal year 1998.

The fossil energy and energy conservation research and development activities of the Department of Energy shall be terminated at the end of fiscal year 1998.

(d) TRANSFER OF PROGRAMS.—The following activities of the Department of Energy shall, no later than 60

days after the date of the enactment of this Act, be transferred to the Department of Defense:

(1) All activities described under the category ''Weapons Activities'' in the annual budget request of the President for fiscal year 1996, including weapons stockpile stewardship and management.

(2) All activities described under the category ''Materials Support and Other Defense Programs'' in the annual budget request of the President for fiscal year 1996.

(e) PROGRESS REPORTS.—The Secretary of Energy shall, every 90 days after the date of the enactment of this Act until the completion of the execution of subsections (c) and (d), transmit to the Congress a report on the progress made toward such execution.

SEC. 4062. ENERGY INFORMATION ADMINISTRATION.

There are hereby transferred to the Department of the Treasury all functions performed by the Energy Information Administration on the day before the effective date of this section. There are authorized to be appropriated for carrying out the activities of the Energy Information Administration $44,000,000 for each of the fiscal years 1996 through 2000.

SEC. 4063. ENERGY REGULATORY ADMINISTRATION.

(a) TRANSFER OF INTERNATIONAL REGULATORY FUNCTIONS.—There are hereby transferred to the Secretary of Agriculture all international regulatory functions performed by the Energy Regulatory Administration on the day before the effective date of this section.

(b) TRANSFER OF LITIGATION FUNCTIONS.—There are hereby transferred to the Attorney General all functions performed by the Energy Regulatory Administration with respect to pending litigation on the day before the effective date of this section.

SEC. 4064. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as provided in subsection (b), this chapter shall take effect on the date specified in section 4019(a) of this subtitle.

(b) EXCEPTIONS.—Section 4061(c), (d), and (e), shall take effect on the date of the enactment of this Act.

CHAPTER 7—INTERIM WASTE STORAGE

SEC. 4071. WASTE SITE WORK UNDER NUCLEAR WASTE POLICY ACT OF 1982.

All work under subtitles A and B of title I of the Nuclear Waste Policy Act of 1982 shall be terminated 90 days after the date of the enactment of this Act.

SEC. 4072. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

Effective upon the expiration of the third calendar month beginning after the date of the enactment of this Act, section 304 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10224) is amended to read as follows:

''UNITED STATES GEOLOGICAL SURVEY

''SEC. 304. The Office of Civilian Radioactive Waste Management (referred to in this section as the 'office') is terminated and the authority and assets of the office with respect to its activities under title I respecting a repository for radioactive waste and spent nuclear fuel is transferred to the United States Geological Survey (referred to in this section as the 'USGS').''.

SEC. 4073. INTERIM STORAGE AT FEDERAL FACILITY.

(a) AUTHORIZATION AND LOCATION OF FEDERAL FACILITY.—

(1) SITE.—The Corps of Engineers shall design, construct, and operate a facility for the interim storage of high-level radioactive waste and spent nuclear fuel. The Nuclear Waste Technical Review Board established under title V of the Nuclear Waste Policy Act of 1982 shall select the site for the facility. The United States Geological Survey shall conduct site characterization, in accordance with section 131 of such Act (42 U.S.C. 10133), of the site

selected by such Board. Such site shall be at a location under the jurisdiction of the Department of Energy.

(2) LICENSE.—The interim storage facility shall be licensed by the Commission in accordance with its regulations governing the licensing of independent high-level radioactive waste and spent fuel storage installations, as modified in accordance with this section, and shall commence operation as soon as practicable.

(b) CAPACITY.—The interim storage facility shall be designed to provide sufficient capacity to store high-level radioactive waste and spent nuclear fuel from civilian nuclear power plants until the Corps of Engineers is able to transfer the high-level radioactive waste and spent fuel. In no event shall the design capacity of the interim storage facility be less than 40,000 MTU and the capacity of such facility shall be expandable.

(c) DESIGN.—The interim storage facility shall satisfy the following design criteria:

(1) The design shall be expandable so that additional storage capacity can be added as necessary.

(2) To the extent practicable, the design shall be based on the use of multi-purpose canister systems developed under section 4025 and certified by

the Commission for the storage and transportation of high-level radioactive waste and spent nuclear fuel.

(3) Consistent with the design objective specified in paragraph (2), the design shall provide for the use of such other storage technologies as are licensed or certified by the Commission for use at the interim storage facility as necessary to ensure compatibility between the interim storage facility and contract holders' high-level radioactive waste and spent nuclear fuel and facilities, and to facilitate the Corps of Engineers's ability to meet the Corps of Engineers's obligations under this title.

(d) LICENSING.—

(1) No later than 6 months from the date of enactment of this Act, the Corps of Engineers shall submit to the Commission an application for a license for the interim storage facility pursuant to the Commission's regulations governing the licensing of independent high-level radioactive waste and spent fuel storage installations. Such license application shall be accompanied by a Safety Analysis Report and an Environmental Report, as required by such regulations.

(2) No later than 3 months from the date of enactment of this Act, the Commission shall amend its regulations governing the licensing of independent high-level radioactive waste and spent fuel storage installations as necessary and appropriate to carry out the purposes of this section. Such amendments shall incorporate the following provisions—

(A) the license shall be issued in phases as necessary to support the commencement of operations at the interim storage facility as soon as practicable, but no later than January 31, 1998;

(B) the license shall authorize a storage capacity of no less than 40,000 MTU, except that the Commission may license an initial storage capacity of less than 40,000 MTU in accordance with subparagraph (A) to permit the commencement of operations; and

(C) the license shall be issued for an initial term of up to 100 years, and shall be renewable for additional terms upon application of the Corps of Engineers.

(3) The Commission shall consider the Corps of Engineers's license application in accordance with the provisions of this title and the Commission's reg-

ulations governing the licensing of independent high-level radioactive waste and spent fuel storage installations, as amended in accordance with this title, except that the Commission shall issue a final decision granting or denying the license no later than 18 months from the date of the submittal of the license application.

(e) ADDITIONAL AUTHORITY.—

(1) The Corps of Engineers is authorized to commence construction of the interim storage facility subsequent to submittal of the license application. The Commission shall issue an order suspending such construction at any time if the Commission determines that such construction poses an unreasonable risk to public health and safety or the environment. The Commission shall terminate all or part of such order upon a determination that the Corps of Engineers has taken appropriate action to eliminate such risk.

(2) For a temporary period beginning with issuance of the license for the interim storage facility, the Commission shall authorize the Corps of Engineers, at the Corps of Engineers' request, to utilize any facility owned by the Federal Government on the date of enactment of this Act and within the

boundaries of the interim storage facility site, whether or not such facility is licensed by the Commission, in connection with the storage, transportation, and handling of high-level radioactive waste and spent nuclear fuel at the interim storage facility if the Commission establishes reasonable terms and conditions for use of such facility in the license for the interim storage facility and if the Commission oversees the use of such facility to assure that such use does not pose an unreasonable risk to public health and safety and the environment.

(f) NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—

(1) The Corps of Engineers shall comply with any environmental requirements imposed by Commission regulations applicable to the licensing of independent high-level radioactive waste and spent fuel storage installations, including the required submission of environmental reports, in like manner as a private applicant. No activity of the Corps of Engineers under this section, including the selection of a site for the interim storage facility, the preparation and submittal of a license application for such facility, and the construction and operation of such facility shall be considered a major Federal action

significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). No such activity shall require the preparation of an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or require any environmental review under subparagraph (E) or (F) of such Act.

(2)(A) Any licensing action by the Commission under this section shall be accompanied by an Environmental Impact Statement prepared under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In preparing such Environmental Impact Statement, the Commission—

(i) shall assume that 100,000 MTU will be stored at the facility; and

(ii) shall analyze the impacts of the transportation of high-level radioactive waste and spent nuclear fuel to the interim storage facility in a generic manner.

(B) Such Environmental Impact Statement shall not consider—

(i) the need for the interim storage facility, including any individual component thereof;

(ii) the time of the initial availability of the interim storage facility;

(iii) any alternatives to the storage of high-level radioactive waste and spent nuclear fuel at the interim storage facility;

(iv) any alternatives to the site of the facility as designated by the Corps of Engineers in accordance with subsection (a);

(v) any alternatives to the design criteria for such facility or any individual component thereof, as specified by the Corps of Engineers in the license application; or

(vi) the environmental impacts of the storage of high-level radioactive waste and spent nuclear fuel at the interim storage facility beyond the initial term of the license or the term of the renewal period for which a license renewal application is made.

(g) STORAGE OF HIGH-LEVEL RADIOACTIVE WASTE AND SPENT NUCLEAR FUEL.—The Corps of Engineers shall begin storing high-level radioactive waste and spent nuclear fuel at the interim storage facility at the earliest practicable date, but no later than January 31, 1998. Sub-

ject to the budget priorities established in section 4041, all actions by the Corps of Engineers, the Commission, the Corps of Engineers of the Interior, or any Federal agency or officer with respect to consideration of applications or requests for the issuance or grant of any authorization related to the interim storage facility, including the certification of multi-purpose canister systems, shall be expedited, and any such application or request shall take precedence over any other activity not related to the interim storage facility.

(h) JUDICIAL REVIEW.—

(1) The Corps of Engineers' actions under this section, including to the Corps of Engineers' siting and design of the interim storage facility, application for a facility license, issuance of a Safety Analysis Report and Environmental Report, and construction of the facility, shall not be subject to judicial review under any law.

(2) Judicial review of the Commission's Environmental Impact Statement shall be consolidated with judicial review of the Commission's licensing decision.

(3) No court shall have jurisdiction to enjoin the construction or operation of the interim storage

facility prior to its final decision on review of the Commission's licensing action.

(i) WASTE CONFIDENCE.—The Corps of Engineers' obligation to construct and operate the interim storage facility in accordance with this section and the Corps of Engineers' obligation to develop an integrated high-level radioactive waste and spent nuclear fuel management system in accordance with the provisions of this title, shall provide sufficient and independent grounds for any further findings by the Commission of reasonable assurance that high-level radioactive waste and spent nuclear fuel and high-level radioactive waste will be disposed of safely for purposes of the Commission's decision to grant or amend any license to operate any civilian nuclear power reactor under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

(j) STORAGE OF MATERIAL OTHER THAN COMMERCIAL HIGH-LEVEL RADIOACTIVE WASTE AND SPENT NUCLEAR FUEL.—

(1) Nothing contained in this section shall prohibit—

(A) the Commission from establishing criteria for the issuance of an amendment to the interim storage facility license authorizing storage of high-level radioactive waste or spent nu-

clear fuel from atomic energy defense activities in the interim storage facility; and

(B) the Corps of Engineers from seeking a license amendment to allow for the storage of high-level radioactive waste or spent nuclear fuel from atomic energy defense activities at the interim storage facility.

(2) The acceptance at the interim storage facility of high-level radioactive waste or spent nuclear fuel resulting from atomic energy defense activities shall not affect the acceptance of high-level radioactive waste and spent nuclear fuel in accordance with the acceptance schedule.

CHAPTER 8—MISCELLANEOUS PROVISIONS

SEC. 4081. REFERENCES.

Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to an office from which a function is transferred by this subtitle—

(1) to the Secretary of Energy or an officer of the Department of Energy, is deemed to refer to the head of the department or office to which such function is transferred; or

(2) to the Department of Energy is deemed to refer to the department or office to which such function is transferred.

SEC. 4082. EXERCISE OF AUTHORITIES.

Except as otherwise provided by law, a Federal official to whom a function is transferred by this subtitle may, for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date of the transfer of the function under this subtitle.

SEC. 4083. SAVINGS PROVISIONS.

(a) LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Secretary of Energy, any officer or employee of any office transferred by this subtitle, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transferred by this subtitle, and

(2) that are in effect on the effective date of such transfer (or become effective after such date

pursuant to their terms as in effect on such effective date),

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(b) PROCEEDINGS.—This subtitle shall not affect any proceedings or any application for any benefits, service, license, permit, certificate, or financial assistance pending on the date of the enactment of this Act before an office transferred by this subtitle, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subtitle had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subtitle had not been enacted.

(c) SUITS.—This subtitle shall not affect suits commenced before the date of the enactment of this Act, and in all such suits, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subtitle had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Energy or the Secretary of Energy, or by or against any individual in the official capacity of such individual as an officer or employee of an office transferred by this subtitle, shall abate by reason of the enactment of this subtitle.

(e) CONTINUANCE OF SUITS.—If any officer of the Department of Energy or the Energy Programs Resolution Agency in the official capacity of such officer is party to a suit with respect to a function of the officer, and under this subtitle such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

SEC. 4084. TRANSFER OF ASSETS.

Except as otherwise provided in this subtitle, so much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in

connection with a function transferred to an official by this subtitle shall be available to the official at such time or times as the Director of the Office of Management and Budget directs for use in connection with the functions transferred.

SEC. 4085. DELEGATION AND ASSIGNMENT.

Except as otherwise expressly prohibited by law or otherwise provided in this subtitle, an official to whom functions are transferred under this subtitle (including the head of any office to which functions are transferred under this subtitle) may delegate any of the functions so transferred to such officers and employees of the office of the official as the official may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this section or under any other provision of this subtitle shall relieve the official to whom a function is transferred under this subtitle of responsibility for the administration of the function.

SEC. 4086. AUTHORITY OF OFFICE OF MANAGEMENT AND BUDGET WITH RESPECT TO FUNCTIONS TRANSFERRED.

(a) DETERMINATIONS.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under this subtitle.

(b) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this subtitle, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subtitle. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subtitle and for such further measures and dispositions as may be necessary to effectuate the purposes of this subtitle.

SEC. 4087. PROPOSED CHANGES IN LAW.

Not later than one year after the date of the enactment of this Act, the Director of the Office of Management and Budget shall submit to the Congress a description of any changes in Federal law necessary to reflect abolishments, transfers, terminations, and disposals under this subtitle.

SEC. 4088. CERTAIN VESTING OF FUNCTIONS CONSIDERED TRANSFER.

For purposes of this chapter, the vesting of a function in a department or office pursuant to reestablishment of an office shall be considered to be the transfer of the function.

SEC. 4089. DEFINITIONS.

Except as otherwise provided in this subtitle, for purposes of this subtitle the following definitions apply:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Energy Programs Resolution Agency.

(2) AGENCY.—The term ''Agency'' means the Energy Programs Resolution Agency.

(3) FUNCTION.—The term ''function'' includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(4) OFFICE.—The term ''office'' includes any office, administration, agency, institute, council, unit, organizational entity, or component thereof.

(5) TERMINATION DATE.—The term ''termination date'' means the termination date under section 4016(d).

(6) WIND-UP PERIOD.—The term ''wind-up period'' means the period beginning on the effective

date specified in section 4019(a) and ending on the termination date.

Subtitle B—Reform Federal Petroleum Reserve Programs

SEC. 4101. SALE OF NAVAL PETROLEUM RESERVES.

(a) FINDING.—Congress finds the following:

(1) The continued control and use of the naval petroleum reserves (as defined in section 7420(2) of title 10, United States Code) by the United States is no longer necessary to promote the national security interests of the United States.

(2) The sale of the naval petroleum reserves by the United States would eliminate the costs currently incurred by the Secretary of Energy to operate the naval petroleum reserves and would be a source of revenue to reduce the Federal budget deficit.

(b) SALE REQUIRED.—The Secretary of Energy shall sell all right, title, and interest of the United States in and to naval petroleum reserves. The Secretary shall complete the sale of the naval petroleum reserves not later than the end of the ____-year period beginning on the date of the enactment of this Act. The Secretary may extend such time period if the Secretary notifies Congress before the end of such period that, as a result of the condition

specified in subsection (c)(1), the Secretary will be unable to complete the sale of the naval petroleum reserves within such time period.

(c) CONDITIONS ON SALE.—(1) Notwithstanding subsection (b), the naval petroleum reserves may not be sold for less than the fair market value, as determined by the Secretary of Energy.

(2) The Secretary of Energy shall conduct sales under subsection (b) using competitive procedures. All sales shall be made to the highest responsible qualified bidder or bidders, as determined by the Secretary. The Secretary may establish such bidding terms and conditions as the Secretary considers to be necessary and appropriate, including the establishment of sale units and minimum bids.

(d) PURCHASER TO BE HELD HARMLESS.—No purchaser under this section of any right, title, or interest of the United States in the naval petroleum reserves shall be liable for any claim of liability arising exclusively from or during the ownership of the interest by the United States. Such a claim of liability may be asserted only against the United States to the extent and in the manner provided by law.

(e) CONGRESSIONAL CONSULTATION.—(1) The Secretary of Energy shall periodically notify Congress of the

progress of the Secretary in selling the naval petroleum reserves under this section.

(2) The Congressional consultation and Presidential approval requirements of section 7431(a) of title 10, United States Code, regarding each individual sale of a portion of the naval petroleum reserves shall not apply to sales under this section.

(f) PROCEEDS OF SALE.—(1) The Secretary of Energy may use the proceeds resulting from sales of the naval petroleum reserves under this section to satisfy any contractual obligations of the United States directly related to the sales, and to pay any liability of the Department of Energy arising under any relevant Federal law concerning the environment with respect to the interests sold.

(2) Funds remaining following operation of paragraph (1) from the sales of the naval petroleum reserves shall be deposited into the general fund of the Treasury for the purpose of reducing the Federal budget deficit.

SEC. 4102. STRATEGIC PETROLEUM RESERVE ACQUISITIONS.

Notwithstanding part B of title I of the Energy Policy and Conservation Act (42 U.S.C. 6231 et seq.), after the date of enactment of this Act the Secretary of Energy shall not obligate any funds for the acquisition of petroleum products for the Strategic Petroleum Reserve.

Subtitle C—Reform Fossil Fuel and Mineral Research Development Programs

SEC. 4201. PRIVATIZATION OF UNITED STATES ENRICHMENT CORPORATION.

(a) REFERENCE.—Except as otherwise expressly provided, whenever in this section an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

(b) PRODUCTION FACILITY.—Paragraph v. of section 11 (42 U.S.C. 2014 v.) is amended by striking ''or the construction and operation of a uranium enrichment production facility using Atomic Vapor Laser Isotope Separation technology''.

(c) DEFINITIONS.—Section 1201 (42 U.S.C. 2297) is amended—

(1) in paragraph (4), by inserting before the period the following: ''and any successor corporation established through privatization of the Corporation'';

(2) by redesignating paragraphs (10) through (13) as paragraphs (14) through (17), respectively,

and by inserting after paragraph (9) the following new paragraphs:

''(10) The term 'low-level radioactive waste' has the meaning given such term in section 102(9) of the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. 2021b(9)).

''(11) The term 'mixed waste' has the meaning given such term in section 1004(41) of the Solid Waste Disposal Act (42 U.S.C. 6903(41)).

''(12) The term 'privatization' means the transfer of ownership of the Corporation to private investors pursuant to chapter 25.

''(13) The term 'privatization date' means the date on which 100 percent of ownership of the Corporation has been transferred to private investors.'';

(3) by inserting after paragraph (17) (as redesignated) the following new paragraph:

''(18) The term 'transition date' means July 1, 1993.''; and

(4) by redesignating the unredesignated paragraph (14) as paragraph (19).

(d) EMPLOYEES OF THE CORPORATION.—

(1) PARAGRAPH (2).—Paragraphs (1) and (2) of section 1305(e) (42 U.S.C. 2297b–4(e)(1)(2)) are amended to read as follows:

"(A) IN GENERAL.—It is the purpose of this subsection to ensure that the privatization of the Corporation shall not result in any adverse effects on the pension benefits of employees at facilities that are operated, directly or under contract, in the performance of the functions vested in the Corporation.

"(B) APPLICABILITY OF EXISTING COLLECTIVE BARGAINING AGREEMENT.—The Corporation shall abide by the terms of the collective bargaining agreement in effect on the privatization date at each individual facility.".

(2) PARAGRAPH (4).—Paragraph (4) of section 1305(e) (42 U.S.C. 2297b–4(e)(4)) is amended—

(A) by striking "AND DETAILEES" in the heading;

(B) by striking the first sentence;

(C) in the second sentence, by inserting "from other Federal employment" after "transfer to the Corporation"; and

(D) by striking the last sentence.

(e) MARKETING AND CONTRACTING AUTHORITY.—

(1) MARKETING AUTHORITY.—Section 1401(a) (42 U.S.C. 2297c(a)) is amended effective on the

privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954)—

(A) by amending the subsection heading to read ''MARKETING AUTHORITY.—''; and

(B) by striking the first sentence.

(2) TRANSFER OF CONTRACTS.—Section 1401(b) (42 U.S.C. 2297c(b)) is amended—

(A) in paragraph (2)(B), by adding at the end the following: ''The privatization of the Corporation shall not affect the terms of, or the rights or obligations of the parties to, any such power purchase contract.''; and

(B) by adding at the end the following:

''(3) EFFECT OF TRANSFER.—

''(A) As a result of the transfer pursuant to paragraph (1), all rights, privileges, and benefits under such contracts, agreements, and leases, including the right to amend, modify, extend, revise, or terminate any of such contracts, agreements, or leases were irrevocably assigned to the Corporation for its exclusive benefit.

''(B) Notwithstanding the transfer pursuant to paragraph (1), the United States shall remain obligated to the parties to the contracts, agreements, and leases transferred pursuant to

paragraph (1) for the performance of the obligations of the United States thereunder during the term thereof. The Corporation shall reimburse the United States for any amount paid by the United States in respect of such obligations arising after the privatization date to the extent such amount is a legal and valid obligation of the Corporation then due.

''(C) After the privatization date, upon any material amendment, modification, extension, revision, replacement, or termination of any contract, agreement, or lease transferred under paragraph (1), the United States shall be released from further obligation under such contract, agreement, or lease, except that such action shall not release the United States from obligations arising under such contract, agreement, or lease prior to such time.''.

(3) PRICING.—Section 1402 (42 U.S.C. 2297c–1) is amended to read as follows:

''SEC. 1402. PRICING.

''The Corporation shall establish prices for its products, materials, and services provided to customers on a basis that will allow it to attain the normal business objectives of a profitmaking corporation.''.

(4) LEASING OF GASEOUS DIFFUSION FACILITIES OF DEPARTMENT.—Effective on the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954), section 1403 (42 U.S.C. 2297c–2) is amended by adding at the end the following:

''(h) LOW-LEVEL RADIOACTIVE WASTE AND MIXED WASTE.—

''(1) RESPONSIBILITY OF THE DEPARTMENT; COSTS.—

''(A) With respect to low-level radioactive waste and mixed waste generated by the Corporation as a result of the operation of the facilities and related property leased by the Corporation pursuant to subsection (a) or as a result of treatment of such wastes at a location other than the facilities and related property leased by the Corporation pursuant to subsection (a) the Department, at the request of the Corporation, shall—

''(i) accept for treatment or disposal of all such wastes for which treatment or disposal technologies and capacities exist, whether within the Department or elsewhere; and

''(ii) accept for storage (or ultimately treatment or disposal) all such wastes for which treatment and disposal technologies or capacities do not exist, pending development of such technologies or availability of such capacities for such wastes.

''(B) All low-level wastes and mixed wastes that the Department accepts for treatment, storage, or disposal pursuant to subparagraph (A) shall, for the purpose of any permits, licenses, authorizations, agreements, or orders involving the Department and other Federal agencies or State or local governments, be deemed to be generated by the Department and the Department shall handle such wastes in accordance with any such permits, licenses, authorizations, agreements, or orders. The Department shall obtain any additional permits, licenses, or authorizations necessary to handle such wastes, shall amend any such agreements or orders as necessary to handle such wastes, and shall handle such wastes in accordance therewith.

''(C) The Corporation shall reimburse the Department for the treatment, storage, or dis-

posal of low-level radioactive waste or mixed waste pursuant to subparagraph (A) in an amount equal to the Department's costs but in no event greater than an amount equal to that which would be charged by commercial, State, regional, or interstate compact entities for treatment, storage, or disposal of such waste.

''(2) AGREEMENTS WITH OTHER PERSONS.—The Corporation may also enter into agreements for the treatment, storage, or disposal of low-level radioactive waste and mixed waste generated by the Corporation as a result of the operation of the facilities and related property leased by the Corporation pursuant to subsection (a) with any person other than the Department that is authorized by applicable laws and regulations to treat, store, or dispose of such wastes.''.

(5) LIABILITIES.—

(A) Subsection (a) of section 1406 (42 U.S.C. 2297c–5(a)) is amended—

(i) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(ii) by adding at the end the following: ''As of the privatization date, all liabil-

ities attributable to the operation of the Corporation from the transition date to the privatization date shall be direct liabilities of the United States.''.

(B) Subsection (b) of section 1406 (42 U.S.C. 2297c–5(b)) is amended—

(i) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(ii) by adding at the end the following: ''As of the privatization date, any judgment entered against the Corporation imposing liability arising out of the operation of the Corporation from the transition date to the privatization date shall be considered a judgment against the United States.''.

(C) Subsection (d) of section 1406 (42 U.S.C. 2297c–5(d)) is amended—

(i) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(ii) by striking ''the transition date'' and inserting ''the privatization date (or,

in the event the privatization date does not occur, the transition date)''.

(6) TRANSFER OF URANIUM.—Title II (42 U.S.C. 2297 et seq.) is amended by redesignating section 1408 as section 1409 and by inserting after section 1407 the following:

"SEC. 1408. TRANSFER OF URANIUM.

''The Secretary may, before the privatization date, transfer to the Corporation without charge raw uranium, low-enriched uranium, and highly enriched uranium.''.

(f) PRIVATIZATION OF THE CORPORATION.—

(1) ESTABLISHMENT OF PRIVATE CORPORATION.—Chapter 25 (42 U.S.C. 2297d et seq.) is amended by adding at the end the following new section:

"SEC. 1503. ESTABLISHMENT OF PRIVATE CORPORATION.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—In order to facilitate privatization, the Corporation may provide for the establishment of a private corporation organized under the laws of any of the several States. Such corporation shall have among its purposes the following:

''(A) To help maintain a reliable and economical domestic source of uranium enrichment services.

"(B) To undertake any and all activities as provided in its corporate charter.

"(2) AUTHORITIES.—The corporation established pursuant to paragraph (1) shall be authorized to—

"(A) enrich uranium, provide for uranium to be enriched by others, or acquire enriched uranium (including low-enriched uranium derived from highly enriched uranium);

"(B) conduct, or provide for conducting, those research and development activities related to uranium enrichment and related processes and activities the corporation considers necessary or advisable to maintain itself as a commercial enterprise operating on a profitable and efficient basis;

"(C) enter into transactions regarding uranium, enriched uranium, or depleted uranium with—

"(i) persons licensed under section 53, 63, 103, or 104 in accordance with the licenses held by those persons;

"(ii) persons in accordance with, and within the period of, an agreement for cooperation arranged under section 123; or

"(iii) persons otherwise authorized by law to enter into such transactions;

"(D) enter into contracts with persons licensed under section 53, 63, 103, or 104, for as long as the corporation considers necessary or desirable, to provide uranium or uranium enrichment and related services;

"(E) enter into contracts to provide uranium or uranium enrichment and related services in accordance with, and within the period of, an agreement for cooperation arranged under section 123 or as otherwise authorized by law; and

"(F) take any and all such other actions as are permitted by the law of the jurisdiction of incorporation of the corporation.

"(3) TRANSFER OF ASSETS.—For purposes of implementing the privatization, the Corporation may transfer some or all of its assets and obligations to the corporation established pursuant to this section, including—

"(A) all of the Corporation's assets, including all contracts, agreements, and leases, including all uranium enrichment contracts and power purchase contracts;

''(B) all funds in accounts of the Corporation held by the Treasury or on deposit with any bank or other financial institution;

''(C) all of the Corporation's rights, duties, and obligations, accruing subsequent to the privatization date, under the power purchase contracts covered by section 1401(b)(2)(B); and

''(D) all of the Corporation's rights, duties, and obligations, accruing subsequent to the privatization date, under the lease agreement between the Department and the Corporation executed by the Department and the Corporation pursuant to section 1403.

''(4) MERGER OR CONSOLIDATION.—For purposes of implementing the privatization, the Corporation may merge or consolidate with the corporation established pursuant to subsection (a)(1) if such action is contemplated by the plan for privatization approved by the President under section 1502(b). The Board shall have exclusive authority to approve such merger or consolidation and to take all further actions necessary to consummate such merger or consolidation, and no action by or in respect of shareholders shall be required. The merger or consolidation shall be effected in accordance with, and

have the effects of a merger or consolidation under, the laws of the jurisdiction of incorporation of the surviving corporation, and all rights and benefits provided under this title to the Corporation shall apply to the surviving corporation as if it were the Corporation.

''(5) TAX TREATMENT OF PRIVATIZATION.—

''(A) TRANSFER OF ASSETS OR MERGER.—No income, gain, or loss shall be recognized by any person by reason of the transfer of the Corporation's assets to, or the Corporation's merger with, the corporation established pursuant to subsection (a)(1) in connection with the privatization.

''(B) CANCELLATION OF DEBT AND COMMON STOCK.—No income, gain, or loss shall be recognized by any person by reason of any cancellation of any obligation or common stock of the Corporation in connection with the privatization.

''(b) OSHA REQUIREMENTS.—For purposes of the regulation of radiological and nonradiological hazards under the Occupational Safety and Health Act of 1970, the corporation established pursuant to subsection (a)(1) shall be treated in the same manner as other employers

licensed by the Nuclear Regulatory Commission. Any interagency agreement entered into between the Nuclear Regulatory Commission and the Occupational Safety and Health Administration governing the scope of their respective regulatory authorities shall apply to the corporation as if the corporation were a Nuclear Regulatory Commission licensee.

''(c) LEGAL STATUS OF PRIVATE CORPORATION.—

''(1) NOT FEDERAL AGENCY.—The corporation established pursuant to subsection (a)(1) shall not be an agency, instrumentality, or establishment of the United States Government and shall not be a Government corporation or Government-controlled corporation.

''(2) NO RECOURSE AGAINST UNITED STATES.—Obligations of the corporation established pursuant to subsection (a)(1) shall not be obligations of, or guaranteed as to principal or interest by, the Corporation or the United States, and the obligations shall so plainly state.

''(3) NO CLAIMS COURT JURISDICTION.—No action under section 1491 of title 28, United States Code, shall be allowable against the United States based on the actions of the corporation established pursuant to subsection (a)(1).

''(d) BOARD OF DIRECTOR'S ELECTION AFTER PUBLIC OFFERING.—In the event that the privatization is implemented by means of a public offering, an election of the members of the board of directors of the Corporation by the shareholders shall be conducted before the end of the 1-year period beginning the date shares are first offered to the public pursuant to such public offering.

''(e) ADEQUATE PROCEEDS.—The Secretary of Energy shall not allow the privatization of the Corporation unless before the sale date the Secretary determines that the estimated sum of the gross proceeds from the sale of the Corporation will be an adequate amount.''.

(2) OWNERSHIP LIMITATIONS.—Chapter 25 (as amended by paragraph (1)) is amended by adding at the end the following new section:

"SEC. 1504. OWNERSHIP LIMITATIONS.

''(a) SECURITIES LIMITATION.—In the event that the privatization is implemented by means of a public offering, during a period of 3 years beginning on the privatization date, no person, directly or indirectly, may acquire or hold securities representing more than 10 percent of the total votes of all outstanding voting securities of the Corporation.

''(b) APPLICATION.—Subsection (a) shall not apply—

''(1) to any employee stock ownership plan of the Corporation,

''(2) to underwriting syndicates holding shares for resale, or

''(3) in the case of shares beneficially held for others, to commercial banks, broker-dealers, clearing corporations, or other nominees.

''(c) No director, officer, or employee of the Corporation may acquire any securities, or any right to acquire securities, of the Corporation—

''(1) in the public offering of securities of the Corporation in the implementation of the privatization,

''(2) pursuant to any agreement, arrangement, or understanding entered into before the privatization date, or

''(3) before the election of directors of the Corporation under section 1503(d) on any terms more favorable than those offered to the general public.''.

(3) EXEMPTION FROM LIABILITY.—Chapter 25 (as amended by paragraph (2)) is amended by adding at the end the following new section:

''SEC. 1505. EXEMPTION FROM LIABILITY.

''(a) IN GENERAL.—No director, officer, employee, or agent of the Corporation shall be liable, for money dam-

ages or otherwise, to any party if, with respect to the subject matter of the action, suit, or proceeding, such person was fulfilling a duty, in connection with any action taken in connection with the privatization, which such person in good faith reasonably believed to be required by law or vested in such person.

''(b) EXCEPTION.—The privatization shall be subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. The exemption set forth in subsection (a) shall not apply to claims arising under such Acts or under the Constitution or laws of any State, territory, or possession of the United States relating to transactions in securities, which claims are in connection with a public offering implementing the privatization.''.

(4) RESOLUTION OF CERTAIN ISSUES.—Chapter 25 (as amended by paragraph (3)) is amended by adding at the end the following new section:

''SEC. 1506. RESOLUTION OF CERTAIN ISSUES.

''(a) CORPORATION ACTIONS.—Notwithstanding any provision of any agreement to which the Corporation is a party, the Corporation shall not be considered to be in breach, default, or violation of any such agreement because of any provision of this chapter or any action the Corporation is required to take under this chapter.

''(b) RIGHT TO SUE WITHDRAWN.—The United States hereby withdraws any stated or implied consent for the United States, or any agent or officer of the United States, to be sued by any person for any legal, equitable, or other relief with respect to any claim arising out of, or resulting from, acts or omissions under this chapter.''.

(5) APPLICATION OF PRIVATIZATION PROCEEDS.—Chapter 25 (as amended by paragraph (4)) is amended by adding at the end the following new section:

''SEC. 1507. APPLICATION OF PRIVATIZATION PROCEEDS.

''The proceeds from the privatization shall be included in the budget baseline required by the Balanced Budget and Emergency Deficit Control Act of 1985 and shall be counted as an offset to direct spending for purposes of section 252 of such Act, notwithstanding section 257(e) of such Act.''.

(6) CONFORMING AMENDMENT.—The table of contents for chapter 25 is amended by inserting after the item for section 1502 the following:

''Sec. 1503. Establishment of private corporation.
''Sec. 1504. Ownership limitations.
''Sec. 1505. Exemption from liability.
''Sec. 1506. Resolution of certain issues.
''Sec. 1507. Application of privatization proceeds.''.

(7) Section 193 (42 U.S.C. 2243) is amended by adding at the end the following:

''(f) LIMITATION.—If the privatization of the United States Enrichment Corporation results in the Corporation being—

''(1) owned, controlled, or dominated by a foreign corporation or a foreign government, or

''(2) otherwise inimical to the common defense or security of the United States,

any license held by the Corporation under sections 53 and 63 shall be terminated.''.

(8) PERIOD FOR CONGRESSIONAL REVIEW.—Section 1502(d) (42 U.S.C. 2297d–1(d)) is amended by striking ''less than 60 days after notification of the Congress'' and inserting ''less than 60 days after the date of the report to Congress by the Comptroller General under subsection (c)''.

(g) PERIODIC CERTIFICATION OF COMPLIANCE.—Section 1701(c)(2) (42 U.S.C. 2297f(c)(2)) is amended by striking ''ANNUAL APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply at least annually to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1).'' and inserting ''PERIODIC APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply to the Nuclear Regulatory Commission for a certificate of compliance under

paragraph (1) periodically, as determined by the Nuclear Regulatory Commission, but not less than every 5 years.''.

(h) LICENSING OF OTHER TECHNOLOGIES.—Subsection (a) of section 1702 (42 U.S.C. 2297f–1(a)) is amended by striking ''other than'' and inserting ''including''.

(i) CONFORMING AMENDMENTS.—

(1) REPEALS IN ATOMIC ENERGY ACT OF 1954 AS OF THE PRIVATIZATION DATE.—

(A) REPEALS.—As of the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954), the following sections (as in effect on such privatization date) of the Atomic Energy Act of 1954 are repealed:

(i) Section 1202.

(ii) Sections 1301 through 1304.

(iii) Sections 1306 through 1316.

(iv) Sections 1404 and 1405.

(v) Section 1601.

(vi) Sections 1603 through 1607.

(B) CONFORMING AMENDMENT.—The table of contents of such Act is amended by repealing the items referring to sections repealed by paragraph (1).

(2) STATUTORY MODIFICATIONS.—As of such privatization date, the following shall take effect:

(A) For purposes of title I of the Atomic Energy Act of 1954, all references in such Act to the ''United States Enrichment Corporation'' shall be deemed to be references to the corporation established pursuant to section 1503 of the Atomic Energy Act of 1954 (as added by subsection (f)(1)).

(B) Section 1018(1) of the Energy Policy Act of 1992 (42 U.S.C. 2296b–7(1)) is amended by striking ''the United States'' and all that follows through the period and inserting ''the corporation referred to in section 1201(4) of the Atomic Energy Act of 1954.''.

(C) Section 9101(3) of title 31, United States Code, is amended by striking subparagraph (N), as added by section 902(b) of Public Law 102–486.

(3) REVISION OF SECTION 1305.—As of such privatization date, section 1305 of the Atomic Energy Act of 1954 (42 U.S.C 2297b–4) is amended—

(A) by repealing subsections (a), (b), (c), and (d), and

(B) in subsection (e)—

(i) by striking the subsection designation and heading,

(ii) by redesignating paragraphs (1) and (2) (as added by subsection (d)(1)) as subsections (a) and (b) and by moving the margins 2-ems to the left,

(iii) by striking paragraph (3), and

(iv) by redesignating paragraph (4) (as amended by subsection (d)(2)) as subsection (c), and by moving the margins 2-ems to the left.

SEC. 4202. RESEARCH AND DEVELOPMENT.

(a) FOSSIL FUEL RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the Secretary of Energy for fossil fuel research and development—

(1) $420,483,300 for fiscal year 1996;

(2) $398,352,600 for fiscal year 1997;

(3) $376,221,900 for fiscal year 1998;

(4) $354,091,200 for fiscal year 1999; and

(5) $331,960,500 for fiscal year 2000.

(b) ENERGY CONSERVATION RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the Secretary of Energy for energy conservation research and development—

(1) $713,874,600 for fiscal year 1996;

(2) $634,555,200 for fiscal year 1997;

(3) $555,235,800 for fiscal year 1998;

(4) $475,916.400 for fiscal year 1999; and

(5) $396,597,000 for fiscal year 2000.

(c) MAGNETIC FUSION RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the Secretary of Energy for magnetic fusion research and development—

(1) $335,306,700 for fiscal year 1996;

(2) $298,050,400 for fiscal year 1997;

(3) $260,794,100 for fiscal year 1998;

(4) $000,000,000 for fiscal year 1999; and

(5) $186,281,500 for fiscal year 2000.

(d) SOLAR AND RENEWABLE ENERGY RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the Secretary of Energy for solar and renewable energy research and development—

(1) $349,297,200 for fiscal year 1996;

(2) $310,486,400 for fiscal year 1997;

(3) $271,675,600 for fiscal year 1998;

(4) $232,864,800 for fiscal year 1999; and

(5) $194,054,000 for fiscal year 2000.

(e) NUCLEAR ENERGY RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the

Secretary of Energy for nuclear energy research and development—

(1) $293,228,000 for fiscal year 1996;

(2) $293,228,000 for fiscal year 1997;

(3) $293,228,000 for fiscal year 1998;

(4) $293,228,000 for fiscal year 1999; and

(5) $293,228,000 for fiscal year 2000.

SEC. 4203. TERMINATION OF CLEAN COAL TECHNOLOGY PROGRAM.

(a) IN GENERAL.—The United States shall not obligate any funds for the Clean Coal Technology program.

(b) REPEAL.—

(1) IN GENERAL.—Except as provided in paragraph (2), the matter under the heading ''DEPARTMENT OF ENERGY, CLEAN COAL TECHNOLOGY'' in the Act entitled ''An Act making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1986, and for other purposes'' enacted by section 101(d) of the Joint Resolution entitled ''Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes'' (Public Law 99–190; 99 Stat. 1251) is repealed.

(2) EXCEPTION.—The authority provided in the matter repealed by paragraph (1) of this subsection

shall be preserved to the extent necessary to carry out obligations of the United States with respect to clean coal technology projects selected by the Secretary of Energy pursuant to the fifth general request for proposals issued by the Secretary under such section 101(d) (and pursuant to any such general request issued before the fifth general request).

SEC. 4204. TERMINATION OF ATOMIC VAPOR ISOTOPE SEPARATION PROGRAM.

No amount of funds provided for any fiscal year may be obligated by the Secretary of Energy after the date of the enactment of this Act for the atomic vapor laser isotope separation program.

Subtitle D—Reform Energy Conservation Programs

SEC. 4301. WEATHERIZATION.

(a) REPEAL.—Part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861–6872), and the items relating thereto in the table of contents of such Act, are repealed.

(b) CONFORMING AMENDMENTS.—(1) Section 2605(b)(4) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(4)) is amended by striking ‘‘under the low-income weatherization assistance pro-

gram under title IV of the Energy Conservation and Production Act,''.

(2) Section 504(c) of the Housing Act of 1949 (42 U.S.C. 1474(c)) is amended—

(A) in paragraph (3), by inserting ''(as such provision was in effect on January 1, 1995)'' after ''Buildings Act of 1976''; and

(B) in paragraph (4), by inserting ''(as such provisions were in effect on January 1, 1995)'' after ''Buildings Act of 1976''.

(3) Section 2(a)(2) of the National Housing Act (12 U.S.C. 1703(a)(2)) is amended by inserting ''(as such provision was in effect on January 1, 1995)'' after ''Buildings Act of 1976''.

(4) Section 203(b) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)) is amended by striking paragraph (12) and redesignating the subsequent paragraphs accordingly.

(5) Section 233 of the National Energy Conservation Policy Act (42 U.S.C. 6873) is amended by striking ''weatherization programs conducted under part A of the Energy Conservation in Existing Buildings Act of 1976,''.

(6) Section 3803(c)(2)(C) of title 31, United States Code, is amended—

(A) by inserting ''and'' at the end of clause (xiv);

(B) by striking ''; and'' at the end of clause (xv) and inserting in lieu thereof a period; and

(C) by striking clause (xvi).

SEC. 4302. STATE ENERGY CONSERVATION PROGRAM.

(a) REPEAL.—Part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321–6326), and the items relating thereto in the table of contents of such Act, are repealed.

(b) CONFORMING AMENDMENTS.—(1) Section 509(i) of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z–8(i)) is amended—

(A) in paragraph (2), by striking ''pursuant to section 365(e)(1) of the Energy Policy and Conservation Act''; and

(B) in paragraph (3), by inserting ''(as such provision was in effect on January 1, 1995)'' after ''Policy and Conservation Act''.

(2) Section 912(f) of the Housing and Community Development Act of 1992 (42 U.S.C. 5511a(f)) is amended by striking ''State agencies responsible'' and all that follows through ''any other'' and inserting in lieu thereof ''any''.

SEC. 4303. INSTITUTIONAL CONSERVATION.

(a) REPEAL.—Parts G and H of the Energy Policy and Conservation Act (42 U.S.C. 6371–6372i), and the items relating thereto in the table of contents of such Act, are repealed.

(b) CONFORMING AMENDMENT.—Title III of the National Energy Conservation Policy Act, and the items relating thereto in the table of contents of such Act, are repealed.

TITLE V—ENVIRONMENT

Subtitle A—Public Land Use and Purchase Reforms

SEC. 5001. MORATORIUM ON LAND ACQUISITION BY CERTAIN AGENCIES.

(a) IN GENERAL.—

(1) PURCHASE WITH APPROPRIATED FUNDS.—During the 5-year period beginning on October 1, 1996—

(A) the Secretary of the Interior may not obligate or expend any appropriated funds to acquire lands or interests in lands which are to be administered by the National Park Service or by the United States Fish and Wildlife Service;

(B) the Secretary of Agriculture may not obligate or expend any appropriated funds to

acquire lands or interests in lands which are to be administered by the Forest Service; and

(C) no other Federal agency may obligate or expend appropriated funds to acquire lands or interests in lands for the purpose of transferring the lands or interests to the administrative jurisdiction of the National Park Service, the United States Fish and Wildlife Service, or the Forest Service.

(2) EXCHANGE.—During the 5-year period referred to in paragraph (1), the Secretary of the Interior may not exchange lands or interests in lands administered by or to be administered by the National Park Service or the United States Fish and Wildlife Service, and the Secretary of Agriculture may not exchange lands or interests in lands administered by or to be administered by the Forest Service, if the exchange would result in budget outlays (as defined in section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622)) by the National Park Service, United States Fish and Wildlife Service, or Forest Service, as the case may be.

(b) EXCEPTION.—Subsection (a) shall not apply with respect to the acquisition (by exchange or otherwise) of

any lands or interests in lands if the President submits written certification to the Congress that the lands or interests, as the case may be, are vital to national security interests of the United States.

(c) APPLICATION TO PREVIOUS AGREEMENTS.—Subsection (a) shall not apply with respect to any otherwise binding agreement that is entered into before the date of the enactment of this Act and that obligates the United States to acquire lands or interests in lands by purchase or exchange in whole or in part with appropriated funds.

SEC. 5002. PROHIBITION ON TIMBER SALES IN UNITS OF THE NATIONAL FOREST SYSTEM IN WHICH TIMBER SALE EXPENSES CONSISTENTLY EXCEED TIMBER SALE REVENUES.

(a) IN GENERAL.—The National Forest Management Act of 1976 is amended by inserting after section 14 (16 U.S.C. 472a) the following new section:

"SEC. 14A. PROHIBITION ON BELOW-COST TIMBER SALE PROGRAMS.

''(a) ANNUAL DETERMINATION OF REVENUES AND COSTS OF TIMBER SALE PROGRAMS.—As soon as possible after the end of each fiscal year, the Secretary of Agriculture shall determine for each unit of the National Forest System the total revenues derived or to be derived by the Federal Government, and the total costs incurred or

to be incurred by the Federal Government, as a direct result of the timber sale program conducted in that unit during that fiscal year. For purposes of determining revenues and costs under this subsection, the Secretary shall continue to use the definitions of revenues and costs, and the accounting practices used to measure such revenues and costs, in effect for the Forest Service as of December 31, 1994.

''(b) TERMINATION OF CONSISTENTLY BELOW-COST TIMBER SALE PROGRAMS.—If, for three consecutive fiscal years in which timber sales are conducted in a unit of the National Forest System, the Secretary determines pursuant to subsection (a) that the total costs for the timber sale program of that unit exceed the total revenues for the program, the Secretary shall immediately terminate the timber sale program for that unit and may not enter into any contract for the sale of national forest materials from that unit. Notwithstanding the termination of the timber sale program for a unit of the National Forest System under this subsection, the Secretary may permit the continued performance of a contract related to a specific sale of national forest materials from that unit if the contract was executed before the date of the termination.

"(c) REINSTATEMENT OF TIMBER SALE PROGRAM.—The Secretary may reinstate a timber sale program terminated under subsection (b) if the Secretary—

"(1) develops a timber sale program for the unit of the National Forest System involved that, in the judgment of the Secretary, will produce revenues that exceed costs for such program; and

"(2) notifies Congress of the reinstatement of the timber sale program not later than 60 days before the date on which the program is to be reinstated.

"(d) EFFECT OF SUBSEQUENT DETERMINATION OF BELOW-COST SALES.—If, for any of the three fiscal years immediately following the reinstatement under subsection (c) of a timber sale program for a unit of the National Forest System, the Secretary determines pursuant to subsection (a) that the total costs for the program exceed the total revenues for the program, the Secretary shall immediately terminate the timber sale program of that unit of the National Forest System. A timber sale program of a unit of the National Forest System terminated under this subsection may not be reinstated, and the Secretary shall prohibit all further sales of national forest materials from that unit. If a timber sale program successfully completes this three-fiscal year period without being terminated, the

Secretary shall apply the termination policy specified in subsection (b) in evaluating the operation of the timber sale program in subsequent fiscal years.''.

(b) EFFECTIVE DATE.—Section 14A of the National Forest Management Act of 1976, as added by subsection (a), shall take effect on the date of the enactment of this Act, except that the suspension of the timber sale program of a unit of the National Forest System under subsection (b) of such section may not begin before October 1, 1995. As soon as possible after the date of the enactment of this Act, the Secretary of Agriculture shall make the determination required by subsection (a) of such section with respect to fiscal years 1992, 1993, and 1994.

SEC. 5003. PERMANENT LIMITATIONS ON AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR THE NATIONAL FOREST SYSTEM AND RELATED AGRICULTURE CONSERVATION AND FORESTRY PROGRAMS.

(a) NATIONAL FOREST SYSTEM.—Section 11 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609) is amended by adding at the end the following new subsection:

''(c) LIMITATION ON NATIONAL FOREST SYSTEM FUNDING.—Notwithstanding any other authorization of appropriations to the contrary, the total amount author-

ized to be appropriated for a fiscal year for necessary expenses of the Forest Service for management, protection, improvement, and utilization of the National Forest System and for all other purposes specified under the heading 'NATIONAL FOREST SYSTEM' in title II of the Department of the Interior and Related Agencies Appropriations Act, 1995 (Public Law 103–332; 108 Stat. 2520), shall not exceed $1,304,891,000.''.

(b) STATE AND PRIVATE FORESTRY.—The Forest Stewardship Act of 1990 (title XII of Public Law 101–624; 104 Stat. 3521) is amended by adding after section 1201 the following new section:

''SEC. 1202. LIMITATION ON FUNDING FOR STATE AND PRIVATE FORESTRY.

''Notwithstanding any other authorization of appropriations to the contrary, the total amount authorized to be appropriated for a fiscal year for necessary expenses of State and private forestry activities to cooperate with, and provide technical and financial assistance to, States, Territories, possessions, and others and for forest pest management activities, cooperative forestry and education and land conservation activities shall not exceed $161,264,000.''.

(c) RESOURCE CONSERVATION AND DEVELOPMENT FUNDING.—

(1) FUNDING LIMITATION.—Section 6 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590f) is amended by striking the section heading and the first undesignated paragraph and inserting the following:

"SEC. 6. LIMITATION ON RESOURCE CONSERVATION AND DEVELOPMENT FUNDING.

''Notwithstanding any other authorization of appropriations to the contrary, the total amount authorized to be appropriated for a fiscal year for necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the first section and sections 2 and 3 of this Act (16 U.S.C. 590a–590c), section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(e), and subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461) shall not exceed $28,900,000, except that not more than $15,000,000 may be appropriated for loans in any fiscal year under such subtitle. Such amounts shall remain available until expended.''.

(2) CONFORMING AMENDMENTS.—(A) Section 34 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1013) is amended by adding at the end the following new sentence: ''For the authorization of appropriations to carry out section 32(e), see section

6 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590f).''.

(B) Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended to read as follows:

''SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.

''For the authorization of appropriations to carry out this subtitle, see section 6 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590f).''.

(d) AGRICULTURAL CONSERVATION PROGRAM.—

(1) FUNDING LIMITATION.—Section 15 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590o) is amended by striking the first sentence and inserting the following:

''(a) LIMITATION ON AGRICULTURAL CONSERVATION PROGRAM FUNDING.—Notwithstanding any other authorization of appropriations to the contrary, the total amount authorized to be appropriated for a fiscal year for necessary expenses to carry into effect the agricultural conservation program authorized in sections 7 through 14, section 16 (other than subsection (b)), and section 17 of this Act (16 U.S.C. 590g–590n, 590p, and 590q) and title X of the Agricultural Act of 1970, other than section 1005 (16 U.S.C. 1501–1504, 1506–1510), shall not exceed $100,000,000.''.

(2) CONFORMING AMENDMENTS.—(A) Such section is further amended by inserting ''(b) DISTRIBUTION OF FUNDS.—'' before ''Notwithstanding the foregoing''.

(B) Section 1010 of the Agricultural Act of 1970 (16 U.S.C. 1510) is amended to read as follows:

''SEC. 1010. AUTHORIZATION OF APPROPRIATIONS.

''For the authorization of appropriations to carry out this title, other than section 1005, see section 15(a) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590o(a)).''.

(e) GREAT PLAINS CONSERVATION PROGRAM.—Section 16(b)(7) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)(7)) is amended by striking ''such sums as may be necessary'' and inserting ''$11,000,000 each fiscal year''.

(f) FORESTRY INCENTIVES PROGRAM.—Section 4(j) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103(j)) is amended by striking ''such sums as may be needed to implement this section, including funds necessary for'' and inserting ''$6,625,000 to implement this section and cover the costs of''.

SEC. 5004. HETCH HETCHY.

In accordance with the discretionary authority provided in section 7 of the Act of December 19, 1913 (38 Stat. 242, 245) commonly known as the ''Raker Act'', the annual amounts to be paid to the United States under that section shall be increased to the amount determined by the Secretary of the Interior to be equal to the fair market value of the electric power generated within the area described in such Act.

SEC. 5005. MINERAL LEASING OF LANDS WITHIN ARCTIC NATIONAL WILDLIFE REFUGE.

(a) REPEAL OF LEASING PROHIBITION.—(1) The heading for section 1003 of the Alaska National Interest Conservation Act (16 U.S.C. 3143) is amended to read as follows:

"SEC. 1003. MINERAL LEASING OF LANDS WITHIN ARCTIC NATIONAL WILDLIFE REFUGE.".

(2) Such section 1003 is further amended by adding the following at the end thereof: ''The preceding sentence shall not apply to such area or areas within the refuge, the aggregate acreage of which does not exceed one and one-half million acres, as the Secretary of the Interior may designate. Notwithstanding any other provision of law, all lands owned by the United States and located within such designated area or areas shall be available for mineral leasing under the Mineral Leasing Act.''.

(b) DEPOSIT OF LEASING REVENUES IN TREASURY.—Section 35 of the Mineral Leasing Act is amended by adding the following at the end thereof: ''The preceding provisions of this section shall not apply to lands within the Arctic National Wildlife Refuge, and 100 percent of all monies received from sales, bonuses, royalties from any mineral leasing activities carried out with respect to such lands shall be deposited in the Treasury as miscellaneous receipts.''.

SEC. 5006. NATIONAL PARK SERVICE USER FEES AND ENTRANCE FEES.

(a) DEFINITIONS.—As used in this section:

(1) The term ''park'' means a unit of the National Park System.

(2) The term ''Secretary'' means the Secretary of the Interior.

(b) FEES.—

(1) ADMISSION FEES.—

(A) IN GENERAL.—The Secretary shall establish reasonable admission fees to be charged at units of the National Park System where the Secretary determines that such fees are appropriate and feasible.

(B) ANNUAL PASSES.—For admission or entrance into any unit of the National Park

System designated by the Secretary pursuant to this section, or into several specific units located in a particular geographic area, or for entrance to all units where an admission fee is charged, the Secretary is authorized to make available annual admission permits for reasonable fees to be determined by the Secretary.

(C) SINGLE VISITS.—The Secretary shall establish reasonable admission fees for a single visit at any unit of the National Park System designated by the Secretary pursuant to this section for persons who choose not to purchase an annual pass.

(2) RECREATION USE FEES.—The Secretary shall establish reasonable fees for specialized outdoor recreation sites, facilities, equipment, or services that are provided or furnished at Federal expense.

(3) SPECIAL PARK USES.—The Secretary shall establish reasonable fees for uses of park units that require special arrangements including permits. The fees shall cover all costs of providing necessary services associated with special uses and shall be credited to the appropriation current at that time.

(4) RETENTION OF FEES.—(A) Except as provided below, fees collected pursuant to paragraphs

(1) and (2) of this subsection shall be deposited in the special fund account established in Section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(i)(4)).

(B) Notwithstanding any other provision of law, beginning in fiscal year 1996 and thereafter, an amount equal to 15 percent of the total fees collected in the immediate preceding fiscal year pursuant to paragraphs (1) and (2) shall be deducted from the current year collections and shall be deposited into a special fund established in the Treasury of the United States titled ''Fee Collection Support—National Park System'' and shall be available to the Secretary without further appropriation to cover the costs of collection of the fees, to remain available until expended.

(5) Notwithstanding any other provision of law, beginning in fiscal year 1998 and thereafter, 50 percent of the difference in additional receipts collected during the immediate preceding fiscal year as compared to total receipts collected in fiscal year 1993 shall be deducted from the current year collections and shall be covered into a special fund established in the Treasury of the United States titled ''National Park Renewal Fund'', and shall be available

to the Secretary without further appropriation for infrastructure needs at parks, including but not limited to facility refurbishment, repair and replacement, resource protection, interpretive/educational media (exhibits), and other infrastructure projects beneficial to park resources, to remain available until expended.

(6) In fiscal year 1997 only, fees authorized to be collected pursuant to paragraphs (1) and (2) may be collected only to the extent provided in advance in appropriations acts and shall be credited to the appropriate special fund accounts described in this section. In addition, said fees shall be available for the purposes of this section only to the extent provided in advance in appropriations acts and are authorized to be appropriated to remain available until expended. In fiscal year 1998 and thereafter, fees collected as authorized to be collected pursuant to paragraphs (1) and (2) may be collected as authorized by this section and shall be available as provided in this section without further provision in appropriations Acts.

(c) USE OF FEES.—The Secretary shall develop procedures for the use of these receipts that ensure accountability and demonstrated results consistent with the pur-

poses of this section. The Secretary shall report annually to Congress on the expenditure of funds from fees collected, beginning after the first full fiscal year following enactment of this section.

(d) DISCOUNTS.—In establishing the fees authorized in this section, the Secretary shall establish appropriate discounts for educational groups, persons sixty-two years of age older, or persons who are blind or permanently disabled. The Secretary may also establish criteria when the fees may be waived for these groups or individuals.

(e) CRITERIA.—All fees established pursuant to this section shall be fair and equitable, taking into consideration the direct and indirect cost to the Government, the benefits to the recipient, the public policy or interest served, the comparable fees charged by non-Federal public and private agencies, the economic and administrative feasibility of fee collection and other pertinent factors. The Secretary shall from time to time review the fees for consistency with the provisions of this subsection and provide timely public notice of any proposed changes in the fees.

(f) DONATIONS.—

(1) REQUESTS FOR DONATIONS.—In addition to other authorities the Secretary may have to accept the donation of lands, buildings, other property, services, and moneys for the purposes of the Na-

tional Park System, the Secretary is authorized to solicit donations of money, property, and services from individuals, corporations, foundations and other potential donors who the Secretary believes would wish to make such donations as an expression of support for the national parks. Such donations may be accepted and used for any authorized purpose or program of the National Park Service, and donations of money shall remain available for expenditure without fiscal year limitation. Any employees of the Department to whom this authority is delegated shall be set forth in regulations issued by the Secretary pursuant to paragraph (4).

(2) EMPLOYEE PARTICIPATION.—Employees of the National Park Service may solicit donations only if the request is incidental to or in support of, and does not interfere with their primary duty of protecting and administering the parks or administering authorized programs, and only for the purpose of providing a level of resource protection, visitor facilities, or services for health and safety projects, recurring maintenance activities, or for other routine activities normally funded through annual agency appropriations. Such requests must be in accordance with guidelines issued pursuant to paragraph (d).

(3) PROHIBITIONS.—(A) A donation may not be accepted in exchange for a commitment to the donor on the part of the National Park Service or which attaches conditions inconsistent with applicable laws and regulations or that is conditioned upon or will require the expenditure of appropriated funds that are not available to the Department, or which compromises a criminal or civil position of the United States or any of its departments or agencies or the administrative authority of any agency of the United States.

(B) In utilizing the authorities contained in this section employees of the National Park Service shall not directly conduct or execute major fund raising campaigns, but may cooperate with others whom the Secretary may designate to conduct such campaigns on behalf of the National Park Service.

(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue regulations setting forth those positions to which he has delegated his authority under paragraph (1) and the categories of employees of the National Park Service that are authorized to request donations pursuant to paragraph (2). Such regulations shall also set forth any limitations on the types

of donations that will be requested or accepted as well as the sources of those donations.

(5) GUIDELINES.—The Secretary shall publish guidelines which set forth the criteria to be used in determining whether the solicitation or acceptance of contributions of lands, buildings, other property, services, moneys and other gifts or donations authorized by this section would reflect unfavorably upon the ability of the Department of the Interior or any employee to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of its programs or any official involved in those programs. The Secretary shall also issue written guidance on the extent of the cooperation that may be provided by National Park Service employees in any major fund raising campaign which the Secretary has designated others to conduct pursuant to paragraph (3)(B).

(g) CHALLENGE COST-SHARE AGREEMENTS.—

(1) AGREEMENTS.—The Secretary is authorized to negotiate and enter into challenge cost-share agreements with cooperators. For purposes of this section, the term—

(A) ''challenge cost-share agreement'' means any agreement entered into between the Secretary and any cooperator for the purpose of sharing costs or services in carrying out authorized functions and responsibilities of the Secretary with respect to the National Park System; and

(B) ''cooperator'' means any State or local government, public or private agency, organization, institution, corporation, individual, or other entity.

(2) USE OF FEDERAL FUNDS.—In carrying out challenge cost-share agreements, the Secretary is authorized, subject to appropriation, to provide the Federal funding share from any funds available to the National Park Service.

(h) COST RECOVERY FOR DAMAGE TO PARK RESOURCES.—Any funds payable to the United States as restitution on account of damage to park resources or property shall be paid to the Secretary. Any such funds, and any other funds received by the Secretary as a result of forfeiture, compromise, or settlement on account of damage to park resources or property shall be available without appropriation and may be expended by the Secretary without regard to fiscal year limitation to improve, pro-

tect, or rehabilitate any park resources or property which have been damaged by the action of a permittee or any unauthorized person.

(i) CONSISTENCY WITH OTHER LAWS.—

(1) Except as provided in subsection (2), to the extent that the provisions of this section are inconsistent with section 4 of the Land and Water Conservation Act of 1965 as amended (16 U.S.C. 460l–6a) or any other provision of law, including any provision that prohibits or limits the charging of a reasonable recreation or other fee, the provisions of this section shall prevail.

(2) The following sections of the Land and Water Conservation Act of 1965 as amended (16 U.S.C. 460l–6a) will apply to this section:

(A) RULES AND REGULATIONS; ESTABLISHMENT; ENFORCEMENT POWERS; PENALTY FOR VIOLATIONS.—In accordance with the provisions of this section, the Secretary may prescribe rules and regulations for areas under his or her administration for the collection of any fee established pursuant to this section. Persons authorized to enforce any such rules or regulations issued under this subsection may, within areas under the administration or authority of

the Secretary and with or, if the offense is committed in his presence, without a warrant, arrest any person who violates such rules and regulations. Any person so arrested may be tried and sentenced by the United States magistrate judge specifically designated for that purpose by the court by which he was appointed, in the same manner and subject to the same conditions as provided in subsection (b), (c), (d), and (e) of section 3401 of title 18. Any violations of the rules and regulations issued under this subsection shall be punishable by a fine of not more than $1,000.

(B) CRITERIA, POSTING AND UNIFORMITY OF FEES.—Clear notice that a fee has been established pursuant to this section shall be prominently posted at each area and at appropriate locations therein and shall be included in publications distributed at such areas.

(C) CONTRACTS WITH PUBLIC OR PRIVATE ENTITIES FOR VISITOR RESERVATION SERVICES.—The Secretary, under such terms and conditions as he deems appropriate, may contract with any public or private entity to provide visitor reservation services. Any such con-

tract may provide that the contractor shall be permitted to deduct a commission to be fixed by the agency head from the amount charged the public for providing such services and to remit the net proceeds therefrom to the contracting agency.

(D) FEDERAL AND STATE LAWS UNAFFECTED.—Nothing in this section shall authorize Federal hunting or fishing licenses or fees or charges for commercial or other activities not related to recreation, nor shall it affect any rights or authority of the States with respect to fish and wildlife, nor shall it repeal or modify any provision of law that permits States or political subdivisions to share in the revenues from Federal lands or any provision of law that provides that any fees or charges collected at particular Federal areas shall be used for or credited to specific purposes or special funds as authorized by that provision of law.

(E) SELLING OF PERMITS AND COLLECTION OF FEES BY VOLUNTEERS AT DESIGNATED AREAS; COLLECTING AGENCY DUTIES; SURETY BONDS; SELLING OF ANNUAL ADMISSION PERMITS BY PUBLIC AND PRIVATE ENTI-

TIES UNDER ARRANGEMENTS WITH COLLECTING AGENCY HEAD.—When authorized by the Secretary, volunteers at designated areas may sell permits and collect fees authorized or established pursuant to this section. The Secretary shall ensure that such volunteers have adequate training regarding—

(i) the sale of permits and the collection of fees,

(ii) the purposes and resources of the areas in which they are assigned, and

(iii) the provision of assistance and information to visitors to the designated area.

The Secretary shall require a surety bond for any such volunteer performing services under this subsection. Funds available to the collecting agency may be used to cover the cost of any such surety bond. The head of the collecting agency may enter into arrangements with qualified public or private entities pursuant to which such entities may well (without cost to the United States) annual admission permits (including Golden Eagle Passports) at any appropriate location.

Subtitle B—Environmental Conservation, Cleanup, and Research Reforms

SEC. 5101. PREFERENCE FOR INTERIM MEASURES IN SUPERFUND RESPONSE ACTIONS.

(a) AMENDMENT OF CERCLA.—Section 121(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621(a)) is amended by adding at the end the following: ''Notwithstanding any other provision of this Act, in selecting appropriate remedial actions in any record of decision issued on or after October 1, 1995, the President shall give a preference to the use of institutional controls (such as deed and access restrictions, monitoring, and provision of alternate water supplies), containment methods (including caps, slurry walls, and surface water diversion), and other interim measures, rather than permanent treatment technologies, if such measures are sufficient to assure the protection of human health and the environment.''.

(b) CLEANUP STANDARDS.—Section 121(d)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621(d)(2)) shall not apply to any remedial action described in the amendment made by subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) Section 517(b) of the Superfund Amendments and Reauthorization Act of 1986 is amended—

(A) by striking the period at the end of paragraph (9) and inserting in lieu thereof a comma; and

(B) by adding after paragraph (9) the following new paragraphs:

''(10) 1996, $1,065,536,000,

''(11) 1997, $1,100,198,000,

''(12) 1998, $1,254,824,000, and

''(13) 1999, $1,321,018,000,''.

(2) Section 9507(c) of the Internal Revenue Code of 1986 is amended by adding the following new paragraph at the end thereof:

''(3) LIMITATION ON APPROPRIATIONS FROM FUND.—For fiscal years 1996, 1997, 1998, and 1999, the total of all amounts authorized to be appropriated from the Superfund shall not exceed the amounts specified in paragraphs (10) through (13) of the Superfund Amendments and Reauthorization Act of 1986.''.

(d) REPORT REQUIREMENT.—(1) The President shall submit to Congress a report, during each of the 5 years listed in paragraph (2), on the use of measures under the last sentence of section 121(a) of the Com-

prehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621), as required by the amendment made by subsection (a). The report shall cover the preceding fiscal year and shall include the estimated savings resulting from the use of such measures in comparison to using permanent treatment technologies.

(2) The President shall submit the report required by paragraph (1) by December 1 of 1996, 1997, 1998, 1999, and 2000.

SEC. 5102. ELIMINATION OF THE CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831–3836) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1201(a) of such Act (16 U.S.C. 3801(a)) is amended by striking paragraph (3).

(2) Sections 1211(3) and 1221(a)(3) of such Act (16 U.S.C. 3811(3) and 3821(a)(3)) are each amended by striking subparagraph (C) and by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively.

(3) Section 1230 of such Act (16 U.S.C. 3830) is amended—

(A) in subsection (a), by striking ''highly'' and all that follows through ''contamination), and'';

(B) in subsection (b), by striking ''subchapters B and C'' and inserting ''subchapter C''; and

(C) in subsection (c)—

(i) by striking ''the conservation reserve program and''; and

(ii) by striking ''subchapters B and C, respectively'' and inserting ''subchapter C''.

(4) Section 1237 of such Act (16 U.S.C. 3837) is amended by striking subsection (f).

(5) Section 1239(b) of such Act (16 U.S.C. 3839(b)) is amended by striking paragraph (3).

(6) Section 1247 of such Act (16 U.S.C. 3847) is amended—

(A) by striking ''(a) IN GENERAL.—''; and

(B) by striking subsection (b).

(7) Section 1305 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203; 101 Stat. 1330–18) is amended by striking subsection (d).

(8) Section 10 of the Farm Disaster Assistance Act of 1987 (Public Law 100–45; 101 Stat. 323) is hereby repealed.

(c) NO EFFECT ON OUTSTANDING CONTRACTS.—The repeal and amendments made by this section shall not be construed to affect the terms of any contract entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 before the effective date of this Act.

SEC. 5103. ELIMINATION OF FUNDING FOR STATE WATER POLLUTION CONTROL REVOLVING FUNDS.

No funds may be appropriated to carry out title VI of the Federal Water Pollution Control Act for fiscal years beginning after September 30, 1995.

SEC. 5104. ELIMINATION OF FUNDING FOR WATERSHED AND FLOOD PREVENTION OPERATIONS.

For fiscal years beginning after September 30, 1995, no funds may be appropriated for any of the following purposes:

(1) Watershed operations and loan services authorized by section 13 of the Flood Control Act approved December 22, 1944 (58 Stat. 905–906).

(2) Emergency watershed protection operations conducted by the Secretary of Agriculture.

(3) Loan services authorized by section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a).

SEC. 5105. OBLIGATION LIMITATION FOR FLOOD CONTROL AND COASTAL EMERGENCIES.

The total of obligations incurred in fiscal year 1996 for expenses of the Corps of Engineers described under the heading ''Flood Control and Coastal Emergencies'' in title I of the Energy and Water Development Appropriations Act, 1995 (Public Law 103–316; 108 Stat. 1710) may not exceed $15,000,000.

SEC. 5106. OBLIGATION LIMITATION FOR FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES.

The total of obligations incurred in fiscal year 1996 for expenses of the Corps of Engineers described under the heading ''Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee'' in title I of the Energy and Water Development Appropriations Act, 1995 (Public Law 103–316; 108 Stat. 1709) may not exceed $320,000,000.

Subtitle C—Restructuring of Department of the Interior

SEC. 5201. LIMITATION ON ACQUISITION OF LANDS BY BUREAU OF LAND MANAGEMENT.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the Bureau of Land Management presently holds title to 1,800,000,000 acres of public land;

(2) much of this land is marginal in value and left over from the 19th century;

(3) in many cases, the costs of maintaining and surveying this land far exceed the actual value of these parcels;

(4) the agency is presently facing a sizable budget backlog which is hampering its ability to properly manage all of this property;

(5) under the Federal Land Policy and Management Act of 1976, the Bureau is required to identify public lands suitable for sale, exchange, or transfer; and

(6) the transfer of some of these parcels could effect budget savings and greater management efficiencies for the Bureau.

(b) ACQUISITION OF LANDS BY BUREAU OF LAND MANAGEMENT.—

(1) PROHIBITION.—Except as provided by subsection (c), amounts appropriated or otherwise made available after the date of the enactment of this Act may not be obligated or expended by the Secretary of the Interior (hereafter in this section referred to as the ''Secretary'') for the acquisition of any lands or interests therein which are to be administered by the Bureau of Land Management.

(2) ACQUISITION BY DONATION OR EXCHANGE OR WITH AMOUNTS FROM FUND.—After the date of the enactment of this Act, the Secretary may acquire lands or interests therein for administration by the Bureau of Land Management only by exchange, by donation, or from amounts made available from the Fund pursuant to subsection (c).

(c) BUREAU OF LAND MANAGEMENT LAND SALE AND ACQUISITION FUND.—

(1) ESTABLISHMENT.—There is established in the Department of the Interior a fund to be known as the ''Bureau of Land Management Land Sale and Acquisition Fund'' (hereafter in this section referred to as the ''Fund'').

(2) ADMINISTRATION.—The Fund shall be administered by the Secretary.

(3) DEPOSITS INTO FUND.—There shall be deposited into the Fund—

(A) all amounts received by the Secretary from the disposal of any lands or interests therein administered by the Bureau of Land Management; and

(B) all amounts received by the United States by gift for acquisition of lands to be administered by the Bureau of Land Management.

(4) EXPENDITURES FROM FUND.—Amounts may be made available from the Fund, subject to appropriation, for the acquisition of lands or interests therein to be administered by the Bureau of Land Management.

(d) INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL BUDGET REQUESTS RELATING TO TRANSFER OR DISPOSAL OF PUBLIC LANDS.—Each annual budget request submitted by the Secretary to the Congress shall be accompanied by information as to whether the Bureau of Land Management, through preparation of land-use plans pursuant to the Federal Land Policy and Management Act of 1976, has identified public lands which are suitable for transfer to other management or for disposal through exchange or otherwise, the transfer or disposal

of which has been delayed because of incomplete surveys or other reasons. If enactment of additional legislation would be desirable in order to facilitate the transfer or disposal of public lands described in the request, the Secretary may include a proposal for such additional legislation in such request.

SEC. 5202. ABOLITION OF BUREAU OF MINES.

(a) TERMINATION OF FUNCTIONS, POSITIONS, AND OFFICES.—Upon the effective date of this Act, the Bureau of Mines shall be terminated and all functions of the Bureau and all positions and offices within the Bureau shall be terminated. As promptly as possible after the effective date of this Act the Administrator of the General Services Administration shall dispose of all facilities and property of the Bureau (including all research facilities and equipment owned by the Bureau) in accordance with the Federal Property and Administrative Services Act and other applicable provisions of law.

(b) ADMINISTRATIVE PROVISIONS.—The provisions of this section shall not affect suits commenced prior to the date this section takes effect. In all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted. No suit, action, or other proceeding commenced by or against any officer in his official capac-

ity as an officer of the Bureau of Mines shall abate by reason of the enactment of this section. No cause of action by or against the Bureau of Mines or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this section. Any suit, action, or other proceeding brought against the Bureau of Mines or and officer thereof in his official capacity shall be continued with the Secretary of the Interior substituted as the defendant.

SEC. 5203. SALE OF HELIUM PROCESSING AND STORAGE FACILITY.

(a) REFERENCES.—Except as otherwise expressly provided, whenever in this section an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Helium Act (50 U.S.C. 167 to 167n).

(b) AUTHORITY OF SECRETARY.—Sections 3, 4, and 5 are amended to read as follows:

"SEC. 3. AUTHORITY OF SECRETARY.

''(a) EXTRACTION AND DISPOSAL OF HELIUM ON FEDERAL LANDS.—(1) The Secretary may enter into agreements with private parties for the recovery and disposal of helium on Federal lands upon such terms and conditions as he deems fair, reasonable and necessary. The

Secretary may grant leasehold rights to any such helium. The Secretary may not enter into any agreement by which the Secretary sells such helium other than to a private party with whom the Secretary has an agreement for recovery and disposal of helium. Such agreements may be subject to such rules and regulations as may be prescribed by the Secretary.

''(2) Any agreement under this subsection shall be subject to the existing rights of any affected Federal oil and gas lessee. Each such agreement (and any extension or renewal thereof) shall contain such terms and conditions as deemed appropriate by the Secretary.

''(3) This subsection shall not in any manner affect or diminish the rights and obligations of the Secretary and private parties under agreements to dispose of helium produced from Federal lands in existence at the enactment of the Helium Act of 1994 except to the extent that such agreements are renewed or extended after such date.

''(b) STORAGE, TRANSPORTATION AND SALE.—The Secretary is authorized to store, transport, and sell helium only in accordance with this Act.

''(c) MONITORING AND REPORTING.—The Secretary is authorized to monitor helium production and helium reserves in the United States and to periodically prepare re-

ports regarding the amounts of helium produced and the quantity of crude helium in storage in the United States.

"SEC. 4. STORAGE AND TRANSPORTATION OF CRUDE HELIUM.

''(a) STORAGE AND TRANSPORTATION.—The Secretary is authorized to store and transport crude helium and to maintain and operate existing crude helium storage at the Bureau of Mines Cliffside Field, together with related helium transportation and withdrawal facilities.

''(b) CESSATION OF PRODUCTION, REFINING, AND MARKETING.—Effective one year after the date of enactment of the Helium Act of 1994, the Secretary shall cease producing, refining and marketing refined helium and shall cease carrying out all other activities relating to helium which the Secretary was authorized to carry out under this Act before the date of enactment of the Helium Act of 1994, except those activities described in subsection (a).

''(c) DISPOSAL OF FACILITIES.—(1) Within one year after the date of enactment of the Helium Act of 1994, the Secretary shall dispose of all facilities, equipment, and other real and personal property, together with all interests therein, held by the United States for the purpose of producing, refining and marketing refined helium. The disposal of such property shall be in accordance with the

provisions of law governing the disposal of excess or surplus properties of the United States.

''(2) All proceeds accruing to the United States by reason of the sale or other disposal of such property shall be treated as moneys received under this chapter for purposes of section 6(f). All costs associated with such sale and disposal (including costs associated with termination of personnel) and with the cessation of activities under subsection (b) shall be paid from amounts available in the helium production fund established under section 6(f).

''(3) Paragraph (1) shall not apply to any facilities, equipment, or other real or personal property, or any interest therein, necessary for the storage and transportation of crude helium.

''(d) EXISTING CONTRACTS.—All contracts which were entered into by any person with the Secretary for the purchase by such person from the Secretary of refined helium and which are in effect on the date of the enactment of the Helium Act of 1994 shall remain in force and effect until the date on which the facilities referred to in subsection (c) are disposed of. Any costs associated with the termination of such contracts shall be paid from the helium production fund established under section 6(f).

"SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITHDRAWAL.

''Whenever the Secretary provides helium storage, withdrawal, or transportation services to any person, the Secretary is authorized and directed to impose fees on such person to reimburse the Secretary for the full costs of providing such storage, transportation, and withdrawal. All such fees received by the Secretary shall be treated as moneys received under this Act for purposes of section 6(f).''.

(c) SALE OF CRUDE HELIUM.—Section 6 is amended as follows:

(1) Subsection (a) is amended by striking out ''from the Secretary'' and inserting ''from persons who have entered into enforceable contracts to purchase an equivalent amount of crude helium from the Secretary''.

(2) Subsection (b) is amended by inserting ''crude'' before ''helium'' and by adding the following at the end thereof: ''Except as may be required by reason of subsection (a), the Secretary shall not make sales of crude helium under this section in such amounts as will disrupt the market price of crude helium.''.

(3) Subsection (c) is amended by inserting ''crude'' before ''helium'' after the words ''Sales of''

and by striking ''together with interest as provided in this subsection'' and all that follows down through the period at the end of such subsection and inserting the following: ''all funds required to be repaid to the United States as of October 1, 1993 under this section (hereinafter referred to as 'repayable amounts'). The price at which crude helium is sold by the Secretary shall not be less than the amount determined by the Secretary as follows:

''(1) Divide the outstanding amount of such repayable amounts by the volume (in mcf) of crude helium owned by the United States and stored in the Bureau of Mines Cliffside Field at the time of the sale concerned.

''(2) Adjust the amount determined under paragraph (1) by the Consumer Price Index for years beginning after December 31, 1993.''.

(4) Subsection (d) is amended to read as follows:

''(d) EXTRACTION OF HELIUM FROM DEPOSITS ON FEDERAL LANDS.—All moneys received by the Secretary from the sale or disposition of helium on Federal lands shall be paid to the Treasury and credited against the amounts required to be repaid to the Treasury under subsection (c) of this section.''.

(5) Subsection (e) is repealed.

(6) Subsection (f) is amended by inserting ''(1)'' after ''(f)'' and by adding the following at the end thereof:

''(2) Within 7 days after the commencement of each fiscal year after the disposal of the facilities referred to in section 4(c), all amounts in such fund in excess of $2,000,000 (or such lesser sum as the Secretary deems necessary to carry out this Act during such fiscal year) shall be paid to the Treasury and credited as provided in paragraph (1). Upon repayment of all amounts referred to in subsection (c), the fund established under this section shall be terminated and all moneys received under this Act shall be deposited in the Treasury as General Revenues.''.

(d) ELIMINATION OF STOCKPILE.—Section 8 is amended to read as follows:

''SEC. 8. ELIMINATION OF STOCKPILE.

''(a) REVIEW OF RESERVES.—Not later than January 1, 2014 the Secretary shall review the known helium reserves in the United States and make a determination as to the expected life of the domestic helium reserves (other than federally owned helium stored at the Cliffside Reservoir) at that time.

"(b) RESERVES BELOW 1 BCF IN 2014.—Not later than January 1, 2014, if the Secretary determines that domestic helium reserves (other than federally owned helium stored at the Cliffside Reservoir) are less than 1 billion cubic feet (bcf), the Secretary shall commence making sales of crude helium from helium reserves owned by the United States in such amounts as may be necessary to dispose of all such helium reserves in excess of 600 million cubic feet (mcf) by January 1, 2019. The sales shall be at such times and in such lots as the Secretary determines, in consultation with the helium industry, necessary to carry out this subsection. The price for all such sales, as determined by the Secretary in consultation with the helium industry, shall be such as will ensure repayment of the amounts required to be repaid to the Treasury under section 6(c) by the year 2019 with minimum market disruption. The date specified in this subsection for completion of such sales and for repayment of debt may be extended by the Secretary for a period of not to exceed 5 additional years if necessary in order to assure repayment of such debt with minimum market disruption.

"(c) RESERVES ABOVE 1 BCF IN 2014.—Not later than January 1, 2014, if the Secretary determines that domestic helium reserves (other than federally owned helium stored at the Cliffside Reservoir) are more than 1

billion cubic feet (bcf), the Secretary shall commence making sales of crude helium from helium reserves owned by the United States in such amounts as may be necessary to dispose of all such helium reserves in excess of 600 million cubic feet (mcf) by January 1, 2024. The sales shall be at such times and in such lots as the Secretary determines, in consultation with the helium industry, necessary to carry out this subsection with minimum disruption of the market for crude helium.

''(d) DISCOVERY OF ADDITIONAL RESERVES.—The discovery of additional helium reserves after the year 2014 shall not affect the duty of the Secretary to make sales of helium as provided in subsection (b) or (c), as the case may be.''.

(e) REPEAL OF AUTHORITY TO BORROW.—Sections 12 and 15 are repealed.

SEC. 5204. ABOLITION OF GEOLOGICAL SURVEY.

(a) TRANSFER OF BASIC RESEARCH FUNCTIONS TO NATIONAL SCIENCE FOUNDATION.—Upon the effective date of this section there shall be transferred to and vested in the National Science Foundation all basic research functions of the United States Geological Survey.

(b) TRANSFER OF STREAM MONITORING FUNCTIONS.—Upon the effective date of this Act there shall be transferred to and vested in the Administrator of the En-

vironmental Protection Agency all stream monitoring functions of the United States Geological Survey, (together with all other water resources and water quality investigation functions of the Survey).

(c) TERMINATION OF OTHER FUNCTIONS, POSITIONS, AND OFFICES.—Upon the effective date of this section, the United States Geological Survey shall be terminated and all functions of the Survey not transferred under this section shall be terminated. As promptly as possible after the effective date of this Act the Administrator of the General Services Administration shall dispose of all facilities and property of the Survey (including all research facilities and equipment owned by the Survey and used for purposes of basic research, such as the seismic network and volcano observatories) in accordance with the Federal Property and Administrative Services Act and other applicable provisions of law. Each position and office within the United States Geological Survey which was performing a function terminated by this subsection shall terminate.

(d) ADMINISTRATIVE PROVISIONS.—

(1) AUTHORITIES TRANSFERRED.—To the extent necessary or appropriate to perform any function transferred by this section, the head of the agency or instrumentality to which such function is transferred may exercise, in carrying out the func-

tion so transferred, any authority or part thereof available by law, including appropriation Acts, to the United States Geological Survey or any official thereof.

(2) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—(A) Except as otherwise provided in this section, 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 transferred by this section, are hereby transferred to the National Science Foundation (in the case of functions referred to in subsection (a)) or to the Administrator of the Environmental Protection Agency (in the case of functions referred to in subsection (b)) for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall only be used for the purposes for which the funds were originally authorized and appropriated.

(3) EFFECT ON PERSONNEL.—(A) Except as otherwise provided in this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time per-

sonnel holding permanent positions pursuant to this section shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of enactment of this Act.

(B) Any person who, on the effective date of this section, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in National Science Foundation or the Environmental Protection Agency to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in the new position.

(e) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, in consultation with the Secretary of the Interior, is authorized and directed to make such determinations as may be necessary with regard to the transfer of functions which relate to or are utilized by the United States geological Survey, to make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations,

and other funds held, used, arising from, available to or to be made available in connection with the functions transferred by this section, as he may deem necessary to accomplish the purposes of this section.

(f) SAVINGS PROVISIONS.—(1) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(A) which have been issued, made, granted, or allowed to become effective in the performance of functions which are transferred under this section, and

(B) which are in effect at the time this section takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary of the Interior, the National Science Foundation, the Administrator of the Environmental Protection Agency, or other authorized officials, a court of competent jurisdiction, or by operation of law.

(2) Except as provided in paragraph (4)—

(A) the provisions of this section shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted.

(3) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the United States Geological Survey shall abate by reason of the enactment of this section. No cause of action by or against the United States Geological Survey or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this section.

(4) If, before the date on which this section takes effect, the United States Geological Survey or officer thereof in his official capacity is a party to a suit, and under this section, any function of the Survey or of such officer is transferred to the National Science Foundation or the Administrator of the Environmental Protection Agency, then such suit shall be continued with the National Science Foundation or the Administrator, as the case may be, substituted.

(g) REFERENCES.—With respect to any functions transferred by this section, any reference in any other Federal law to the United States Geological Survey or any officer or office the functions of which are so transferred shall be deemed to refer to the National Science Founda-

tion or the Administrator of the Environmental Protection Agency or the officer or office thereof in which this section vests such functions.

SEC. 5205. DOWNSIZING OF MINERALS MANAGEMENT SERVICE.

Upon the enactment of this Act, the functions of the Outer Continental Shelf Regional Offices of the Minerals Management Service serving Alaska, the Pacific Coast and the Atlantic regions shall be transferred to such officer within the Department of the Interior as may be designated by the Secretary of the Interior and the Secretary shall take such actions as may be necessary to terminate those regional offices.

SEC. 5206. DOWNSIZING OF BUREAU OF RECLAMATION

Notwithstanding any other provision of law, amounts appropriated for the fiscal year 1996 and for each of the 4 following fiscal years (not including spending authority from offsetting collections) for the construction program of the Bureau of Reclamation shall not exceed $249,573,000. Notwithstanding any other provision of law, amounts appropriated for the fiscal year 1996 and for each of the 4 following fiscal years (not including spending authority from offsetting collections) for the operation and maintenance of reclamation projects or parts

thereof and other facilities of the Bureau of Reclamation shall not exceed $282,898,000.

SEC. 5207. CONSOLIDATION OF BUREAU OF INDIAN AFFAIRS.

Not later than one year after the date of the enactment of this Act, the Secretary of the Interior shall consolidate the area service offices of the Bureau of Indian Affairs into six offices, of which four shall be regional service centers and two shall be special service offices. In carrying out this section, the Secretary shall consult with the Task Force on Bureau of Indian Affairs Reorganization, as provided in the Department of the Interior and Related Agencies Appropriations Act, 1994 (Public Law 103–138).

SEC. 5208. ABOLITION OF OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS.

(a) IN GENERAL.—The Office of Territorial and International Affairs of the Department of the Interior, established pursuant to the Order of the Secretary of the Interior 3046, of February 14, 1980, as amended, is hereby abolished.

(b) TRANSFER OF RESPONSIBILITIES.—All responsibilities of the Office of Territorial and International Affairs relating to the administration or termination of the Trust Territory of the Pacific Islands, to the implementa-

tion of the Compact of Free Association between the Government of the United States of America and the Government of Palau (48 U.S.C. 1681 note), or to the implementation of the Compact of Free Association between the Government of the United States of America and the Governments of the Marshall Islands and the Federated States of Micronesia (48 U.S.C. 1681 note), are hereby transferred to the Office of East Asian and Pacific Affairs of the Department of State. All responsibilities of the Office of Territorial and International Affairs relating to technical operations, or management assistance and not described in the preceding sentence are hereby transferred to the Department of Commerce.

(c) ELIMINATION OF POSITION OF ASSISTANT SECRETARY.—

(1) IN GENERAL.—The position of Assistant Secretary for Territorial and International Affairs at the Department of the Interior is hereby eliminated.

(2) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretaries of the Interior (6).'' and inserting ''Assistant Secretaries of the Interior (5).''.

(d) EFFECTIVE DATE.—This subsection shall take effect on October 1, 1995.

SEC. 5209. ABOLITION OF NATIONAL BIOLOGICAL SURVEY.

(a) IN GENERAL.—The National Biological Survey is hereby abolished.

(b) PROHIBITION OF APPROPRIATIONS.—No funds are authorized to be appropriated for the National Biological Survey.

SEC. 5210. HARDROCK MINING ROYALTIES.

(a) DEFINITIONS.—As used in this section:

(1) The term ''locatable mineral'' means any mineral not subject to disposition under any of the following:

(A) The Mineral Leasing Act (30 U.S.C. 181 and following).

(B) The Geothermal Steam Act of 1970 (30 U.S.C. 100 and following).

(C) The Act of July 31, 1947, commonly known as the Materials Act of 1947 (30 U.S.C. 601 and following).

(D) The Mineral Leasing for Acquired Lands Act (30 U.S.C. 351 and following).

(2) The term ''mineral activities'' means any activity for, related to or incidental to mineral exploration, mining, beneficiation and processing activities for any locatable mineral, including access. When used with respect to this term:

(A) The term ''exploration'' means those techniques employed to locate the presence of a locatable mineral deposit and to establish its nature, position, size, shape, grade and value.

(B) The term ''mining'' means the processes employed for the extraction of a locatable mineral from the earth.

(C) The term ''beneficiation'' means the crushing and grinding of locatable mineral ore and such processes are employed to free the mineral from other constituents, including but not necessarily limited to, physical and chemical separation techniques.

(D) The term ''processing'' means processes downstream of beneficiation employed to prepare locatable mineral ore into the final marketable product, including but not limited to, smelting and electrolytic refining.

(3) The term ''mining claim'' means a claim for the purposes of mineral activities.

(4) The term ''Secretary'' means, unless otherwise provided in this section, the Secretary of the Interior acting through the Director of the Minerals Management Service.

(b) RESERVATION OF ROYALTY.—Production of all locatable minerals from any mining claim located under the general mining laws, or mineral concentrates or products derived from locatable minerals from any mining claim located under the general mining laws, as the case may be, shall be subject to a royalty of 8 percent of the gross income from such production. The claimholder and any operator to whom the claimholder has assigned the obligation to make royalty payments under the claim and any person who controls such claimholder or operator shall be jointly and severally liable for payment of such royalties.

(c) DUTIES OF CLAIM HOLDERS, OPERATORS, AND TRANSPORTERS.—(1) A person—

(A) who is required to make any royalty payment under this section shall make such payments to the United States at such times and in such manner as the Secretary may by rule prescribe; and

(B) shall notify the Secretary, in the time and manner as may be specified by the Secretary, of any assignment that such person may have made of the obligation to make any royalty or other payment under a mining claim.

(2) Any person paying royalties under this section shall file a written instrument, together with the first roy-

alty payment, affirming that such person is liable to the Secretary for making proper payments for all amounts due for all time periods for which such person as a payment responsibility. Such liability for the period referred to in the preceding sentence shall include any and all additional amounts billed by the Secretary and determined to be due by final agency or judicial action. Any person liable for royalty payments under this section who assigns any payment obligation shall remain jointly and severally liable for all royalty payments due for the claim for the period.

(3) A person conducting mineral activities shall—

(A) develop and comply with the site security provisions in operations permit designed to protect from theft the locatable minerals, concentrates or products derived therefrom which are produced or stored on a mining claim, and such provisions shall conform with such minimum standards as the Secretary may prescribe by rule, taking into account the variety of circumstances on mining claims; and

(B) not later than the 5th business day after production begins anywhere on a mining claim, or production resumes after more than 90 days after production was suspended, notify the Secretary, in the manner prescribed by the Secretary, of the date on which such production has begun or resumed.

(4) The Secretary may by rule require any person engaged in transporting a locatable mineral, concentrate, or product derived therefrom to carry on his or her person, in his or her vehicle, or in his or her immediate control, documentation showing, at a minimum, the amount, origin, and intended destination of the locatable mineral, concentrate, or product derived therefrom in such circumstances as the Secretary determines is appropriate.

(d) RECORDKEEPING AND REPORTING REQUIREMENTS.—(1) A claim holder, operator, or other person directly involved in developing, producing, processing, transporting, purchasing, or selling locatable minerals, concentrates, or products derived therefrom, subject to this Act, through the point of royalty computation shall establish and maintain any records, make any reports, and provide any information that the Secretary may reasonably require for the purposes of implementing this section or determining compliance with rules or orders under this section. Such records shall include, but not be limited to, periodic reports, records, documents, and other data. Such reports may also include, but not be limited to, pertinent technical and financial data relating to the quantity, quality, composition volume, weight, and assay of all minerals extracted from the mining claim. Upon the request of any officer or employee duly designated by the Secretary or

any State conducting an audit or investigation pursuant to this section, the appropriate records, reports, or information which may be required by this section shall be made available for inspection and duplication by such officer or employee or State.

(2) Records required by the Secretary under this section shall be maintained for 6 years after cessation of all mining activity at the claim concerned unless the Secretary notifies the operator that he or she has initiated an audit or investigation involving such records and that such records must be maintained for a longer period. In any case when an audit or investigation is underway, records shall be maintained until the Secretary releases the operator of the obligation to maintain such records.

(e) AUDITS.—The Secretary is authorized to conduct such audits of all claim holders, operators, transporters, purchasers, processors, or other persons directly or indirectly involved in the production or sales of minerals covered by this section, as the Secretary deems necessary for the purposes of ensuring compliance with the requirements of this section. For purposes of performing such audits, the Secretary shall, at reasonable times and upon request, have access to, and may copy, all books, papers and other documents that relate to compliance with any provision of this section by any person.

(f) COOPERATIVE AGREEMENTS.—(1) The Secretary is authorized to enter into cooperative agreements with the Secretary of Agriculture to share information concerning the royalty management of locatable minerals, concentrates, or products derived therefrom, to carry out inspection, auditing, investigation, or enforcement (not including the collection of royalties, civil or criminal penalties, or other payments) activities under this section in cooperation with the Secretary, and to carry out any other activity described in this section.

(2) Except as provided in paragraph (4)(A) of this subsection (relating to trade secrets), and pursuant to a cooperative agreement, the Secretary of Agriculture shall, upon request, have access to all royalty accounting information in the possession of the Secretary respecting the production, removal, or sale of locatable minerals, concentrates, or products derived therefrom from claims on lands open to location under the general mining laws.

(3) Trade secrets, proprietary, and other confidential information shall be made available by the Secretary pursuant to a cooperative agreement under this subsection to the Secretary of Agriculture upon request only if—

(A) the Secretary of Agriculture consents in writing to restrict the dissemination of the information to those who are directly involved in an audit

or investigation under this section and who have a need to know;

(B) the Secretary of Agriculture accepts liability for wrongful disclosure; and

(C) the Secretary of Agriculture demonstrates that such information is essential to the conduct of an audit or investigation under this subsection.

(g) INTEREST AND SUBSTANTIAL UNDERREPORTING ASSESSMENTS.—(1) In the case of mining claims where royalty payments are not received by the Secretary on the date that such payments are due, the Secretary shall charge interest on such under payments at the same interest rate as is applicable under section 6621(a)(2) of the Internal Revenue Code of 1986. In the case of an underpayment, interest shall be computed and charged only on the amount of the deficiency and not on the total amount.

(2) If there is any underreporting of royalty owed on production from a claim for any production month by any person liable for royalty payments under this section, the Secretary may assess a penalty of 10 percent of the amount of that underreporting.

(3) If there is a substantial underreporting of royalty owed on production from a claim for any production month by any person responsible for paying the royalty,

the Secretary may assess a penalty of 10 percent of the amount of that underreporting.

(4) For the purposes of this subsection, the term ''substantial underreporting'' means the difference between the royalty on the value of the production which should have been reported and the royalty on the value of the production which was reported, if the value which should have been reported is greater than the value which was reported. An underreporting constitutes a ''substantial underreporting'' if such difference exceeds 10 percent of the royalty on the value of production which should have been reported.

(5) The Secretary shall not impose the assessment provided in paragraphs (2) or (3) of this subsection if the person liable for royalty payments under this section corrects the underreporting before the date such person receives notice from the Secretary that an underreporting may have occurred, or before 90 days after the date of the enactment of this section, whichever is later.

(6) The Secretary shall waive any portion of an assessment under paragraph (2) or (3) of this subsection attributable to that portion of the underreporting for which the person responsible for paying the royalty demonstrates that—

(A) such person had written authorization from the Secretary to report royalty on the value of the production on basis on which it was reported,

(B) such person had substantial authority for reporting royalty on the value of the production on the basis on which it was reported,

(C) such person previously had notified the Secretary, in such manner as the Secretary may by rule prescribe, of relevant reasons or facts affecting the royalty treatment of specific production which led to the underreporting, or

(D) such person meets any other exception which the Secretary may, by rule, establish.

(7) All penalties collected under this subsection shall be deposited in the Treasury.

(h) EFFECTIVE DATE.—The royalty under this section shall take effect with respect to the production of locatable minerals after the enactment of this Act, but any royalty payments attributable to production during the first 12 calendar months after the enactment of this Act shall be payable at the expiration of such 12-month period.

Subtitle D—Administrative Reform

SEC. 5301. REDUCTION IN OVERHEAD EXPENSES OF ENVIRONMENTAL PROTECTION AGENCY.

(a) IN GENERAL.—The amount obligated by the Environmental Protection Agency during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $151,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

Subtitle E—National Marine Program Reforms

SEC. 5401. TERMINATION OF NATIONAL COASTAL ZONE MANAGEMENT GRANTS AND NATIONAL SEA GRANT COLLEGE PROGRAM GRANTS.

(a) TERMINATION OF GRANT AUTHORITY.—Notwithstanding any other provision of law, no grant may be made under—

(1) the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); or

(2) the National Sea Grant College Program Act (33 U.S.C. 1121 et seq.).

(b) EXISTING GRANT AGREEMENTS NOT AFFECTED.—This section shall not affect any grant agreement in effect before the date of the enactment of this Act.

SEC. 5402. DISPOSAL OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION FLEET.

(a) DISPOSAL OF NOAA FLEET.—The Secretary of Commerce—

(1) shall expeditiously dispose of all ownership interest of the United States in all vessels in the National Oceanic and Atmospheric Administration fleet;

(2) may not acquire any ownership interest in any vessel for use by the National Oceanic and Atmospheric Administration;

(3) may obtain vessels for use by the National Oceanic and Atmospheric Administration only by charter of privately-owned vessels; and

(4) may obtain vessel operation services for the National Oceanic and Atmospheric Administration only under contracts with private-sector sources.

(b) EXISTING CONTRACTS NOT AFFECTED.—This section shall not affect any contract in effect before the date of the enactment of this Act.

SEC. 5403. RESCISSION OF FUNDS AVAILABLE FOR NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION PROCUREMENT AND MODERNIZATION.

Of the funds made available in appropriations Acts for fiscal year 1995 for procurement and modernization for the National Oceanic and Atmospheric Administration, there are rescinded so much as exceed the amount available for those purposes for fiscal year 1994.

SEC. 5404. RESCISSION OF FUNDS AVAILABLE FOR NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION CONSTRUCTION.

Of the funds made available in appropriations Acts for fiscal year 1995 for construction for the National Oceanic and Atmospheric Administration, there are rescinded so much as exceed the amount available for that purpose for fiscal year 1994.

Subtitle F—Corps of Engineers Reform

SEC. 5501. REORGANIZATION OF CORPS OF ENGINEERS.

The Secretary of the Army shall reorganize the Corps of Engineers by reorganizing the headquarters offices, reducing the number of division offices from 11 to not more than 6, and restructuring the district functions so as to increase the efficiency of the Corps of Engineers and reduce staff and costs, to achieve at least $50,000,000 in net annual savings by fiscal year 1998.

SEC. 5502. OBLIGATION LIMITATION FOR CORPS OF ENGINEERS CONSTRUCTION.

The total of obligations incurred in fiscal year 1996 for expenses of the Corps of Engineers described under the heading ''Construction, General'' in title I of the Energy and Water Development Appropriations Act, 1995 (Public Law 103–316; 108 Stat. 1709–1710) may not exceed $959,000,000.

SEC. 5503. OBLIGATION LIMITATION FOR CORPS OF ENGINEERS OPERATION AND MAINTENANCE.

The total of obligations incurred in fiscal year 1996 for expenses of the Corps of Engineers described under the heading ''Operations and Maintenance, General'' in title I of the Energy and Water Development Appropriations Act, 1995 (Public Law 103–316; 108 Stat. 1709–1710) may not exceed $1,611,600,000.

SEC. 5504. OBLIGATION LIMITATION FOR CORPS OF ENGINEERS GENERAL INVESTIGATIONS.

The total of obligations incurred in fiscal year 1996 for expenses of the Corps of Engineers described under the heading ''General Investigations'' in title I of the Energy and Water Development Appropriations Act, 1995 (Public Law 103–316; 108 Stat. 1707) may not exceed $148,000,000.

TITLE VI—AGRICULTURE

Subtitle A—Agriculture Research and Extension

SEC. 6001. CONSOLIDATION OF AGRICULTURAL RESEARCH SERVICE, COOPERATIVE STATE RESEARCH SERVICE, AND EXTENSION SERVICE.

(a) CONSOLIDATION REQUIRED.—The Secretary of Agriculture shall consolidate the agricultural research agencies of the Department of Agriculture specified in subsection (b) for the purpose of reducing the number of

personnel in these agencies and eliminating duplicative overhead expenses in these agencies. In accomplishing this consolidation, the Secretary shall pursue the objective of reducing the annual administrative expenses of the consolidated agricultural research agency by an amount equal to at least 50 percent of the administrative expenses of these agencies in fiscal year 1995.

(b) AGENCIES SUBJECT TO CONSOLIDATION.—Subsection (a) shall apply with respect to the Agricultural Research Service, the Cooperative State Research Service, and the Extension Service of the Department of Agriculture (including personnel and field, regional, and national offices of these agencies).

SEC. 6002. TERMINATION OF COOPERATIVE AGRICULTURAL EXTENSION WORK IN DISTRICT OF COLUMBIA.

(a) EXTENSION WORK TERMINATION.—Section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93–471; 88 Stat. 1428; Sec. 31–1518, D.C. Code) is amended by striking subsections (c) and (d) relating to the authorization of appropriations of funds for the provision of cooperative agricultural extension work in District of Columbia.

(b) CONFORMING AMENDMENT.—Section 3 of the Act of May 8, 1914 (commonly known as the Smith-Lever

Act; 7 U.S.C. 343), is amended by adding at the end the following new subsection:

''(g) The District of Columbia shall not be eligible to receive any sums appropriated under this section.''.

SEC. 6003. RURAL TECHNOLOGY GRANTS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsections (f), (g), and (h) relating to the provision of grants to nonprofit institutions for the purpose of enabling such institutions to establish and operate centers for rural technology or cooperative development.

SEC. 6004. CAP ON AUTHORIZATION OF APPROPRIATIONS FOR AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926) is amended by striking ''$12,000,000'' and inserting ''$1,037,850''.

SEC. 6005. CAP ON AUTHORIZATION OF APPROPRIATIONS FOR RENEWABLE RESOURCES EXTENSION PROGRAM.

Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended by striking the first sentence and inserting the following: ''There are authorized to be appropriated to implement this Act $2,839,850 for each of the fiscal years 1996 through 2000.''.

Subtitle B—Agricultural Trade

SEC. 6101. REDUCTION OF SPENDING FOR EXPORT MARKETING AND INTERNATIONAL ACTIVITIES.

Notwithstanding any other provision of law, the cooperator market development program of the Foreign Agricultural Service shall be discontinued. The Secretary of Agriculture may provide for the orderly phase out of this program.

SEC. 6102. ELIMINATION OF EXPORT ENHANCEMENT PROGRAM.

(a) REPEAL.—Title III of the Agricultural Trade Act of 1978 (7 U.S.C. 5651 et seq.) is repealed.

(b) EFFECT OF REPEAL ON EXISTING AGREEMENTS.—The repeal by subsection (a) of the export enhancement program under title III of the Agricultural Trade Act of 1978 shall not affect the validity or continued operation of an agreement entered into before the date of the enactment of this Act under such title.

SEC. 6103. REDUCTION OF LOAN GUARANTEE PROGRAM.

Subparagraph (A) of section 211(b)(1) of The Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended to read as follows:

> ''(A) MAXIMUM AMOUNTS.—The Commodity Credit Corporation shall make available for each of the fiscal years 1994

through 1995 not more than $3,600,000,000 in credit guarantees under section 202(a).''.

SEC. 6104. ELIMINATION OF MARKET PROMOTION PROGRAM.

(a) REPEAL.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is repealed.

(b) CONFORMING AMENDMENTS.—The Agricultural Trade Act of 1978 is amended—

(1) in section 211 (7 U.S.C. 5641), by striking subsection (c); and

(2) in section 402(a)(1) (7 U.S.C. 5662(a)(1)), by striking ''203,''.

(c) EFFECT OF REPEAL ON EXISTING AGREEMENTS.—The repeal by subsection (a) of the market promotion program established pursuant to section 203 of the Agricultural Trade Act of 1978 shall not affect the validity or continued operation of an agreement entered into before the date of the enactment of this Act to provide assistance under such section.

Subtitle C—Department of Agriculture Overhead Reduction

SEC. 6201. REDUCTION IN OVERHEAD EXPENSES OF DEPARTMENT OF AGRICULTURE.

(a) IN GENERAL.—The amount obligated by the Department of Agriculture during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $400,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

Subtitle D—Loan Reform

SEC. 6301. TERMINATION OF GRANT PROGRAM TO ASSIST STATE MEDIATION PROGRAMS.

(a) TERMINATION.—Subtitle A of title V of the Agricultural Credit Act of 1987 (7 U.S.C. 5101–5106) relating to matching grants for State mediation programs is repealed.

(b) EFFECT OF TERMINATION.—The amendment made by subsection (a) shall not affect any grant made under section 502 of the Agricultural Credit Act of 1987 (7 U.S.C. 5102) before the date of the enactment of this Act, or any conditions or requirements in connection with the use of such a grant imposed before such date.

(c) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the Agricultural Credit Act of 1987 (Public Law 100–233; 101 Stat. 1568) is amended by striking the items related to subtitle A of title V of such Act.

Subtitle F—Crop Commodity Reform

SEC. 6401. ELIMINATION OF PRICE SUPPORT PROGRAMS FOR AGRICULTURAL COMMODITIES AND RELATED MARKETING QUOTAS.

(a) ELIMINATION OF PRICE SUPPORT PROGRAMS.—(1) Except as provided in paragraph (2), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is repealed.

(2) Paragraph (1) shall not apply to the following sections of the Agricultural Act of 1949:

(A) The first section (7 U.S.C. 1421 note), containing the short title of the Act.

(B) Section 204 (7 U.S.C. 1446e), relating to the milk price support program.

(C) Section 404 (7 U.S.C. 1424), relating to utilization of services and facilities of Commodity Credit Corporation.

(D) Section 405 (7 U.S.C. 1425), relating to personal liability of producers for deficiencies.

(E) Section 407 (7 U.S.C. 1427), relating to Commodity Credit Corporation sales price restrictions.

(F) Section 407A (7 U.S.C. 1427–1), relating to quality requirements for Commodity Credit Corporation owned grain.

(G) Section 412 (7 U.S.C. 1429), relating to determinations by the Secretary of Agriculture.

(H) Section 421 (7 U.S.C. 1431), relating to penalties for misuse of feed intended to relieve distress or preserve foundation herds.

(I) Section 422 (7 U.S.C. 1431a), relating to forgiveness of violations.

(J) Title VI (7 U.S.C. 1471–1471j), relating to emergency livestock feed assistance.

(b) ELIMINATION OF MARKETING QUOTAS.—(1) Except as provided in paragraph (2), title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.) is repealed.

(2) Paragraph (1) shall not apply to subtitle F of such title relating to miscellaneous provisions and authorization of appropriations.

(c) CONFORMING AMENDMENTS REGARDING OTHER COMMODITIES.—(1) Subtitle E of title XI of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1421 note), relating to an options pilot program, is repealed.

(2) Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1), relating to price support for corn silage, is repealed.

(d) SAVINGS PROVISION.—A repeal made by this section shall not affect the liability of any person under any provision of law as in effect before the date of the enactment of this Act.

SEC. 6402. ELIMINATING FEDERAL SUPPORT FOR HONEY.

(a) IN GENERAL.—Subsection (a) of section 207 of the Agricultural Act of 1949 (7 U.S.C. 1446h) is amended to read as follows:

''(a) PRICE SUPPORT.—

''(1) IN GENERAL.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations, except that for the 1995 crops, the price of honey shall be supported through recourse loans.

''(2) RATE OF SUPPORT FOR CROP YEARS BEFORE 1994.—For the 1991 through 1993 crop years, the rate of support shall be not less than 53.8 cents per pound.

''(3) RATE OF SUPPORT FOR CROP YEARS AFTER 1994.—For the 1995 crop year, the Secretary shall provide recourse loans to producers at such a rate that minimizes costs and forfeitures, except that such rate shall not be less than 44 cents a pound. Section 407 of this Act shall not apply to honey for-

feited to the Commodity Credit Corporation under loans made under this paragraph.

''(4) EFFECT OF FAILURE TO REPAY.—A producer who fails to repay a loan made under paragraph (3) by the end of the crop year following the crop year for which such loan was made shall be ineligible for a loan under this section for subsequent crop years, except that the Secretary may waive this provision in any case where in which the Secretary determines that the failure to repay the loan was due to hardship conditions or circumstances beyond the control of the producer.''.

(b) MARKETING LOAN PROVISIONS.—Subsection (b) of such section is amended by striking ''for a crop'' and inserting ''for the 1991 through 1993 crops''.

(c) LOAN DEFICIENCY PAYMENTS.—Subsection (c) of such section is amended by striking ''1998'' and inserting ''1994''.

(d) PAYMENT LIMITATIONS.—Subsection (e) of such section is amended—

(1) by striking subparagraphs (E) through (G);

(2) by inserting ''and'' after the semicolon at the end of subparagraph (C); and

(3) by striking the semicolon at the end of subparagraph (D) and inserting a period.

(e) TERMINATION.—Subsection (j) of such section is amended by striking ''1998'' and inserting ''1995''.

(f) CONFORMING AMENDMENTS.—(1) Section 405(a) of the Agricultural Act of 1949 (7 U.S.C. 1425(a)) is amended by striking in the first sentence ''section 405A'' and inserting ''sections 207 and 405A''.

(2) Section 405A(a) of the Agricultural Act of 1949 (7 U.S.C. 1425a(a)) is amended by striking ''in each of the 1994'' and all that follows and inserting ''in the 1994 crop year.''.

(g) TRANSITION.—A provision of this section shall not affect the liability of any person under any provision of law as in effect before the date of the enactment of this Act.

TITLE VII—COMMERCE AND HOUSING CREDIT

Subtitle A—Small Business Administration Reform

CHAPTER 1—REORGANIZATION OF SMALL BUSINESS FUNCTIONS

SEC. 7001. TERMINATION OF SMALL BUSINESS ADMINISTRATION.

The Small Business Administration shall terminate on December 31, 1995.

SEC. 7002. ESTABLISHMENT OF OFFICE OF SMALL BUSINESS ADVOCACY IN EXECUTIVE OFFICE OF THE PRESIDENT.

(a) ESTABLISHMENT.—There is established in the Executive Office of the President an Office of Small Business Advocacy.

(b) DIRECTOR.—The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level IV of the Executive Schedule in section 5315 of title 5, United States Code.

(c) FUNCTIONS OF THE DIRECTOR.—The Director is authorized to carry out any of the functions assigned to the Chief Counsel of Advocacy of the Small Business Administration under the Small Business Act, as in effect on the day before the effective date of this subtitle.

SEC. 7003. CONFORMING AMENDMENTS TO TITLE 5, UNITED STATES CODE.

(a) SECTION 5314.—Section 5314 of title 5, United States Code, is amended by striking ''Administrator of the Small Business Administration.''.

(b) SECTION 5315.—Section 5315 of title 5, United States Code, is amended—

(1) by striking ''Deputy Administrator of the Small Business Administration.'';

(2) by striking ''Chief Counsel for Advocacy, Small Business Administration.'' and inserting ''Director of the Office of Small Business Advocacy.''; and

(3) by striking ''Inspector General, Small Business Administration.''.

(c) SECTION 5316.—Section 5316 of title 5, United States Code, is amended by striking ''Associate Administrators of the Small Business Administration (4).''.

CHAPTER 2—REPEALS

SEC. 7010. REPEAL OF SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT OF 1958.

Except as otherwise provided by this subtitle, the Small Business Act and the Small Business Investment Act of 1958 are repealed effective September 30, 1995.

SEC. 7011. CONTINUED EFFECTIVENESS OF CERTAIN FUNCTIONS.

Notwithstanding section 7010 of this Act, the following provisions of the Small Business Act shall remain in effect after September 30, 1995:

(1) Section 3(a) (relating to the definition of ''small business concern'').

(2) Section 4(b)(2) (relating to maintenance of a small business economic database).

(3) Section 15 (relating to the award of Federal contracts to small business concerns).

SEC. 7012. CONTINUED APPLICABILITY OF CERTAIN PROVISIONS.

Notwithstanding section 7010 of this Act, the following provisions of the Small Business Act shall remain in effect after September 30, 1995, insofar as such provisions apply to the functions referred to in section 7011 of this Act:

(1) Section 5(b) (relating to general authorities to carry out functions).

(2) Section 16 (relating to penalties for prohibited acts).

CHAPTER 3—TRANSFERS

SEC. 7020. SIZE STANDARDS FOR SMALL BUSINESS CONCERNS; GOVERNMENT PROCUREMENT PROGRAMS.

There are transferred to the Director of the Office of Management of Budget all of the functions, powers, and duties vested in or delegated to the Administrator of the Small Business Administration under sections 3(a) and 15 of the Small Business Act.

SEC. 7021. MAINTENANCE OF NATIONAL SMALL BUSINESS ECONOMIC INDICES.

There are transferred to the Director of the Office of Small Business Advocacy all of the functions, powers, and duties vested in or delegated to the Administrator of the Small Business Administration under section 4(b)(2) of the Small Business Act.

SEC. 7022. TRANSFER OF FINANCIAL OBLIGATIONS OWNED BY SMALL BUSINESS ADMINISTRATION.

(a) TRANSFERS TO SECRETARY OF THE TREASURY.—There are transferred to the Secretary of the Treasury the loans, notes, bonds, debentures, securities, and other financial obligations owned by the Small Business Administration, together with all assets or other rights (including security interests) incident thereto, and all liabilities related thereto, and there are assigned to the Secretary the functions, powers, and abilities vested in or delegated to the Small Business Administration to manage, service, collect, sell, dispose of, or otherwise realize proceeds on obligations owed to the Small Business Administration under authority of the Small Business Act and the Small Business Investment Act of 1958 (including those assets purchased from the Federal Financing Bank pursuant to subsection (e) of this section).

(b) LEGAL RIGHTS, OBLIGATIONS, RESPONSIBILITIES, AND LIABILITIES.—The Secretary of the Treasury

shall succeed to all rights and obligations of the Small Business Administration with respect to any and all legal rights, obligations, responsibilities, and liabilities arising out of the obligations described in subsections (a) and (e) of this section, including any outstanding guarantee of the Small Business Administration and any of its defenses against a claim under such guarantee, and shall have the same legal rights, obligations, responsibilities, and liabilities as the Small Business Administration had with respect to such obligations, and the regulation of brokers and dealers in such obligations.

(c) DEPOSIT OF AMOUNTS RECEIVED FROM TRANSFERRED ASSETS.—All amounts received by the Secretary of the Treasury with respect to any asset transferred to the Secretary pursuant to subsections (a) or (e) of this section shall be deposited in the Treasury as miscellaneous receipts.

(d) DISPOSITION OF ASSETS.—

(1) IN GENERAL.—The Secretary of the Treasury is authorized to dispose of any loan, debenture, or other asset acquired by the Secretary pursuant to subsections (a) and (e) of this section (including obligations formerly guaranteed pursuant to the Small Business Act or the Small Business Investment Act of 1958 that will be or have been acquired by the

Secretary) in the way, in amounts, at prices (for cash, obligations, property, or combination of cash, obligations or property), and on such conditions as the Secretary considers advisable and in the public interest.

(2) LIMITATION ON APPLICABILITY OF CERTAIN LAWS.—Any disposition by the Secretary of the Treasury of a financial asset acquired by the Secretary under this subsection, including a disposition through sale of the Federal Government's interest in an asset or in a pool of assets, shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949 or the provisions of any Federal or State securities law.

(3) PROHIBITION ON GUARANTEES.—Any disposition of an asset under this subsection shall be without any guarantee of the United States or any agency or instrumentality thereof.

(4) TRANSFER OF INFORMATION.—Notwithstanding any other provision of law, including the Privacy Act of 1974, the Secretary may transfer to a prospective purchaser or transferee of an asset under this subsection such information as may be incident to the disposition of the asset.

(5) LIMITATION ON APPLICABILITY OF CERTAIN FILING REQUIREMENTS.—Notwithstanding any State or local law or regulation to the contrary, no filing or other action shall be required in order to continue the perfected status of any security interest transferred to the Secretary of the Treasury which was held, on the day before the effective date of this Act, by the Small Business Administration or any representative, transferee, or assignee thereof.

(6) CONTINUED APPLICABILITY OF CERTAIN LAWS.—Sections 5(b) and (e), 7(c)(1) and (2), 16, and 17 of the Small Business Act shall remain in effect with respect to the assets and guarantees transferred to the Secretary of the Treasury by this subtitle as long as the Secretary shall retain any such asset or guarantee.

(e) OBLIGATIONS HELD BY FEDERAL FINANCING BANK.—The Secretary of the Treasury is authorized and directed, subject to funds being specifically appropriated for such purpose, to purchase from the Federal Financing Bank all notes, bonds, debentures, or other obligations held by the Federal Financing Bank that were, on the day before the effective date of this subtitle, guaranteed or otherwise backed by the Small Business Administration. Such purchases are to be made at prices determined by

the Federal Financing Bank as if the obligations were repurchased by the respective obligors consistent with the terms of such obligations or such other agreements between the Small Business Administration and the Federal Financing Bank as are in effect on the day before the effective date of this subtitle.

(f) REGULATORY AUTHORITIES.—There are transferred to the Secretary of the Treasury the regulatory authorities with respect to small business investment companies and minority enterprise small business investment companies conferred by the Small Business Investment Act of 1958; except that such regulatory authorities shall expire on—

(1) for each loan, debenture, or equity security purchased or guaranteed by the Small Business Administration, the date such loan or debenture is disposed of by the Department of the Treasury; or

(2) for each small business investment company or minority enterprise small business investment company whose loans, debentures, or equity securities were purchased or guaranteed by the Small Business Administration, the date on which the last such loan, debenture or equity security of such company is disposed of by the Secretary of the Treasury.

CHAPTER 4—GENERAL ADMINISTRATIVE PROVISIONS

SEC. 7030. TRANSFER OF AUTHORITIES.

To the extent necessary or appropriate, and consistent with the provisions of this subtitle, in order to perform a function transferred by this subtitle, the head of a department or agency may exercise any authority or part thereof which was provided by law to the Small Business Administration or the Administrator of the Small Business Administration.

SEC. 7031. ORGANIZATIONAL ENTITIES AND OFFICES.

(a) IN GENERAL.—The head of a department or agency is authorized to locate among the officers of the department or agency the functions transferred by this subtitle to the department or agency, and to establish, consolidate, alter, or discontinue such organizational entities or offices within the department or agency as may be necessary or appropriate.

(b) TREATMENT DURING TRANSITION.—In accordance with section 7040 of this Act, and regulations issued thereunder, and until such time as the consolidation and termination of the transferred functions is completed, the head of a department or agency shall treat the organizational entities and functions transferred by this subtitle

to their respective departments, as if they remained a part of the Small Business Administration.

SEC. 7032. DELEGATION OF FUNCTIONS.

Except where otherwise expressly provided for by law, the head of a department or agency may delegate any of the functions now vested in a position transferred pursuant to this subtitle that relate to such a position to any of the officers and employees of the department or agency, and may authorize successive redelegation of those functions, as appropriate.

SEC. 7033. RULES AND REGULATIONS.

The head of a department or agency is authorized to issue such rules and regulations as may be necessary or appropriate to carry out the functions, powers, and duties vested or transferred by this subtitle.

SEC. 7034. TRANSFER OF FUND ACCOUNTS.

Any appropriations or fund accounts established to carry out the purposes of this subtitle shall be deemed to be successor accounts to those that existed in the Small Business Administration prior to the date of the enactment of this subtitle, and the balances of those prior accounts may be transferred and merged with any of the successor accounts so established.

CHAPTER 5—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

SEC. 7040. TRANSFERS.

So much of the personnel (including Senior Executive Service and GS–16, GS–17, and GS–18 positions), positions, 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 any functions or authority transferred by this subtitle, are transferred to the head of the appropriate agency, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made.

SEC. 7041. DIRECTOR OF OFFICE OF MANAGEMENT AND BUDGET.

The Director of the Office of Management and Budget, in consultation with the Administrator of the Small Business Administration, the Secretary of the Treasury, and other officials as appropriate, shall make such determinations as may be necessary with regard to the functions transferred by this subtitle, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to or to be made avail-

able in connection with the functions transferred by this subtitle, that the Director considers necessary to accomplish the purposes of this subtitle.

SEC. 7042. SAVINGS PROVISIONS.

(a) EXISTING RULES, REGULATIONS, AND ORDERS.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency, or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred by this subtitle; and

(2) that are in effect on September 30, 1995, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the head of the department or agency to which such function is transferred, or other authorized officials, a court of competent jurisdiction, or by operation of law.

(b) ADMINISTRATIVE PROCEEDINGS.—

(1) PENDING PROCEEDINGS NOT AFFECTED.—The provisions of this subtitle shall not affect any proceedings or any application for any license, permit, certificate, or financial assistance pending on

the effective date of this subtitle; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued.

(2) EFFECT OF ORDERS.—Orders shall be issued in such a proceeding, appeals shall be taken therefrom, and payments shall be made under such orders, as if this subtitle had not been enacted, and orders issued in such a proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of such a proceeding under the same terms and conditions and to the same extent that such a proceeding could have been discontinued or modified if this subtitle had not been enacted.

(3) ISSUANCE OF REGULATIONS PROVIDING FOR TRANSFER.—The head of a department or agency may issue regulations providing for the orderly transfer of such a proceeding to the department or agency.

(c) PENDING JUDICIAL PROCEEDINGS.—Except as provided in subsection (e) of this section—

(1) the provisions of this subtitle do not affect a suit commenced before this subtitle takes effect; and

(2) in such a suit, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) CAUSES OF ACTION.—No suit, action, or other proceeding commenced by or against any officer in the officer's official capacity as an officer of any department or agency, functions of which are transferred by this subtitle, shall abate by reason of the enactment of this subtitle. No cause of action by or against any department or agency, functions of which are transferred by this subtitle, or by or against any officer thereof in the officer's official capacity shall abate by reason of the enactment of this subtitle. The authority to impose sanctions and grant waivers with respect to conflicts of interest occurring before the effective date of this subtitle, and the requirement to maintain records relating to the consideration of conflicts of interest before the effective date of this subtitle, do not abate by reason of the enactment of this subtitle.

(e) PARTIES TO A SUIT.—If, before the date on which this subtitle takes effect, any department or agency, or any officer thereof in the officer's official capacity, is a

party to a suit, and under this subtitle any function of that department, agency, or officer is transferred to the head of a department or agency, then the suit shall be continued with the head of the department or agency substituted.

SEC. 7043. COORDINATION OF TRANSFER ACTIVITIES.

(a) PLANNING.—The Administrator of the Small Business Administration, the Secretary of the Treasury, and other officials as appropriate shall, beginning as soon as practicable after the date of the enactment of this subtitle, plan for the orderly transfer of functions and personnel pursuant to this subtitle.

(b) USE OF PERSONNEL.—With the consent of the Administrator of the Small Business Administration, the head of each agency to which functions are transferred by this subtitle is authorized to use the services of such officers, employees, and other personnel of the Small Business Administration for such period of time as may reasonably be needed to facilitate the orderly transfer of functions pursuant to this subtitle.

SEC. 7044. REFERENCES.

With respect to any functions transferred by this subtitle and exercised after the effective date of this subtitle, reference in any other Federal law to any department, commission, or agency or any officer or office the func-

tions of which are so transferred shall be considered to refer to the official to whom they were transferred.

SEC. 7045. TRANSITIONAL PERIOD.

During the period from September 30, 1995, until December 31, 1995, the Small Business Administration shall remain in existence, and there is authorized to be appropriated such sums as may be necessary for the purposes of winding up its affairs and advising the Secretary of the Treasury and other appropriate officials, insofar as they may request, in the exercise of the functions transferred by this subtitle. During this transitional period, the Small Business Administration may not engage in any program activities, either with respect to those functions that are transferred to other agencies or those that are terminated.

SEC. 7046. EFFECTIVE DATE.

(a) IN GENERAL.—Unless otherwise indicated, the provisions of this subtitle shall take effect on September 30, 1995.

(b) EXCEPTIONS.—Notwithstanding subsection (a) of this section, at any time after the date of the enactment of this subtitle—

(1) the officers provided for in section 7002 of this Act may be nominated and appointed, as provided in such section; and

(2) the head of a department or agency to whom functions are transferred under this subtitle may issue regulations under section 7033 of this Act.

(c) TERMINATION OF PRESIDENTIAL APPOINTEES.—The positions of officers in the Small Business Administration who were appointed by the President, by and with the advice and consent of the Senate, shall terminate on October 31, 1995.

(d) TEMPORARY APPOINTMENTS.—If any officer required by this subtitle to be appointed by and with the advice and consent of the Senate has not entered office on the effective date of this subtitle, the President may designate any officer whose appointment was required to be made by and with the advice and consent of the Senate, and who was such an officer immediately before the effective date of this subtitle, to act in the office until it is filled as provided in this subtitle. While so acting, such an officer shall be compensated at the rate prescribed by this subtitle for the office in which the officer acts.

Subtitle B—Housing Credit Reform

SEC. 7101. ELIMINATION OF FMHA DIRECT LOANS FOR SINGLE FAMILY HOMES.

Section 502(a) of the Housing Act of 1949 (42 U.S.C. 1472(a)) is amended by adding at the end the following new paragraph:

''(4) Notwithstanding any other provision of this title, the Secretary may not make any direct loan under this section after September 30, 1995.''.

SEC. 7102. INCREASED FEES FOR FMHA SINGLE FAMILY HOUSING LOAN GUARANTEES.

Section 502(h)(7) of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended by striking ''1 percent'' and inserting ''2 percent''.

SEC. 7103. DELEGATION OF SINGLE FAMILY MORTGAGE INSURING AUTHORITY TO MORTGAGEES AND SECONDARY MARKET ENTITIES.

Title II of the National Housing Act (12 U.S.C. 1707 et seq.), is amended by adding at the end the following new section:

''DELEGATION OF INSURING AUTHORITY

''SEC. 256. (a) AUTHORITY.—Notwithstanding any other provision of this title, the function of approving for insurance mortgages that involve property upon which there is located a dwelling designed principally for occu-

pancy by 1 to 4 families shall be carried out only by qualified mortgagees and, to the extent that the Secretary enters into an agreement with the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation to carry out such function, by such Association or Corporation. The Secretary may not carry out the function of approving such mortgages for insurance.

''(b) QUALIFIED MORTGAGEE.—For purposes of this section, the term 'qualified mortgagee' means a mortgagee approved by the Secretary pursuant to this section as having the capability to carry out the function of insuring mortgages. In making such determination, the Secretary may consider the experience of the mortgagee, the past performance of the mortgagee, including the performance of the mortgagee under the direct endorsement program, the default rate of insured mortgages originated by the mortgagee compared to the default rate of all insured mortgages in comparable markets, and such other factors as the Secretary determines appropriate to minimize risk of loss to the insurance funds under this Act.

''(c) ENFORCEMENT OF INSURANCE REQUIREMENTS.—

''(1) IN GENERAL.—If the Secretary determines that a mortgage insured by a qualified mortgagee pursuant to this section was not originated in ac-

cordance with the requirements of this title and such other requirements as may be established by the Secretary to carry out this section, and the Secretary pays an insurance claim with respect to the mortgage within a reasonable period specified by the Secretary, the Secretary may require the qualified mortgagee approved under this section to indemnify the Secretary for the loss.

''(2) FRAUD OR MISREPRESENTATION.—If fraud or misrepresentation was involved in connection with the origination of a mortgage referred to in paragraph (1), the Secretary may require the qualified mortgagee to indemnify the Secretary for the loss regardless of when an insurance claim is paid.

''(d) TERMINATION OF MORTGAGEE'S AUTHORITY.—If a qualified mortgagee violates the requirements and procedures established by the Secretary pursuant to this section or the Secretary determines that other good cause exists, the Secretary may terminate the mortgagee's status as a qualified mortgagee by providing notice of the termination to the mortgagee. Such a termination shall be effective upon receipt of the notice by the mortgagee or at a later date specified in the notice by the Secretary. A decision by the Secretary to terminate a mortgagee's status

as a qualified mortgagee shall be final and conclusive and shall not be subject to judicial review.

''(e) REQUIREMENTS AND PROCEDURES.—The Secretary shall issue regulations establishing appropriate requirements and procedures to carry out this section, including requirements and procedures governing the indemnification of the Secretary by qualified mortgagees.''.

Subtitle C—Abolition of Department of Commerce and Disposition of Particular Programs, Functions, and Agencies

CHAPTER 1—ABOLITION OF DEPARTMENT OF COMMERCE

SEC. 7201. REESTABLISHMENT OF DEPARTMENT AS COMMERCE PROGRAMS RESOLUTION AGENCY.

(a) REESTABLISHMENT.—The Department of Commerce is hereby redesignated as the Commerce Programs Resolution Agency, which shall be an independent agency in the executive branch of the Government.

(b) ADMINISTRATOR.—

(1) IN GENERAL.—There shall be at the head of the Agency an Administrator of the Agency, who shall be appointed by the President, by and with the advice and consent of the Senate. The Agency shall be administered under the supervision and direction

of the Administrator. The Administrator shall receive compensation at the rate prescribed for level II of the Executive Schedule under section 5313 of title 5, United States Code.

(2) INITIAL APPOINTMENT OF ADMINISTRATOR.—Notwithstanding any other provision of this chapter or any other law, the President may, at any time after the date of the enactment of this Act, appoint an individual to serve as Administrator of the Commerce Programs Resolution Agency (who may be the Secretary of Commerce), as such position is established under paragraph (1). An appointment under this paragraph may not be construed to affect the position of Secretary of Commerce or the authority of the Secretary before the effective date specified in section 7209(a).

(c) DUTIES.—The Administrator shall be responsible for—

(1) the administration and wind-up, during the wind-up period, of all functions of the Administrator pursuant to section 7202 and the other provisions of this title;

(2) the administration and wind-up, during the wind-up period, of any outstanding obligations of the

Federal Government under any programs terminated or repealed by this title; and

(3) taking such other actions as may be necessary, before the termination date specified in section 7106(d), to wind up any outstanding affairs of the Department of Commerce.

SEC. 7202. FUNCTIONS.

Except to the extent a function is abolished or vested in another official or agency by this title, the Administrator shall perform all functions that, immediately before the effective date specified in section 7109(a), were functions of the Department of Commerce (or any office of the Department) or were authorized to be performed by the Secretary of Commerce or any other officer or employee of the Department in the capacity as such officer or employee.

SEC. 7203. DEPUTY ADMINISTRATOR.

The Agency shall have a Deputy Administrator, who shall—

(1) be appointed by and report to the Administrator; and

(2) shall perform such functions as may be delegated by the Administrator.

SEC. 7204. CONTINUATION OF SERVICE OF DEPARTMENT OFFICERS.

(a) CONTINUATION OF SERVICE OF SECRETARY.—The individual serving on the effective date specified in section 7109(a) as the Secretary of Commerce may serve and act as Administrator until the date an individual is appointed under this title to the position of Administrator, or until the end of the 120-day period provided for in section 3348 of title 5, United States Code (relating to limitations on the period of time a vacancy may be filled temporarily), whichever is earlier.

(b) CONTINUATION OF SERVICE OF OTHER OFFICERS.—An individual serving on the effective date specified in section 7109(a) as an officer of the Department of Commerce other than the Secretary of Commerce may continue to serve and act in an equivalent capacity in the Agency until the date an individual is appointed under this title to the position of Administrator, or until the end of the 120-day period provided for in section 3348 of title 5, United States Code (relating to limitations on the period of time a vacancy may be filled temporarily) with respect to that appointment, whichever is earlier.

(c) COMPENSATION FOR CONTINUED SERVICE.—Any person—

(1) who serves as the Administrator under subsection (a), or

(2) who serves under subsection (b),

after the effective date specified in section 7109(a) and before the first appointment of a person as Administrator shall continue to be compensated for so serving at the rate at which such person was compensated before such effective date.

SEC. 7205. REORGANIZATION.

The Administrator may allocate or reallocate any function of the Agency pursuant to this title among the officers of the Agency, and may establish, consolidate, alter, or discontinue in the Commerce Programs Resolution Agency any organizational entities that were entities of the Department of Commerce, as the Administrator considers necessary or appropriate.

SEC. 7206. ABOLISHMENT OF COMMERCE PROGRAMS RESOLUTION AGENCY.

(a) IN GENERAL.—Effective on the termination date specified in subsection (d), the Commerce Programs Resolution Agency is abolished.

(b) ABOLITION OF FUNCTIONS.—Except for functions transferred or otherwise continued by this title, all functions that, immediately before the termination date specified in subsection (d), were functions of the Commerce Programs Resolution Agency are abolished effective on that termination date.

(c) PLAN FOR WINDING UP AFFAIRS.—Not later than the effective date specified in section 7109(a), the President shall submit to the Congress a plan for winding up the affairs of the Agency in accordance with this title and by not later than the termination date specified in subsection (d).

(d) TERMINATION DATE.—The termination date under this subsection is the date that is 3 years after the date of the enactment of this Act.

SEC. 7207. GAO REPORT.

Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Congress a report which shall include recommendations for the most efficient means of achieving, in accordance with this title—

(1) the complete abolishment of the Department of Commerce; and

(2) the termination or transfer or other continuation of the functions of the Department of Commerce.

SEC. 7208. CONFORMING AMENDMENTS.

(a) PRESIDENTIAL SUCCESSION.—Section 19(d)(1) of title 3, United States Code, is amended by striking ''Secretary of Commerce,''.

(b) EXECUTIVE DEPARTMENTS.—Section 101 of title 5, United States Code, is amended by striking the following item:

''The Department of Commerce.''.

(c) SECRETARY'S COMPENSATION.—Section 5312 of title 5, United States Code, is amended by striking the following item:

''Secretary of Commerce.''.

(d) COMPENSATION FOR POSITIONS AT LEVEL III.—Section 5314 of title 5, United States Code, is amended—

(1) by striking the following item:

''Under Secretary of Commerce, Under Secretary of Commerce for Economic Affairs, Under Secretary of Commerce for Export Administration and Under Secretary of Commerce for Travel and Tourism.'';

(2) by striking the following item:

''Under Secretary of Commerce for Oceans and Atmosphere, the incumbent of which also serves as Administrator of the National Oceanic and Atmospheric Administration.''; and

(3) by striking the following item:

''Under Secretary of Commerce for Technology.''.

(e) COMPENSATION FOR POSITIONS AT LEVEL IV.—Section 5315 of title 5, United States Code, is amended—

(1) by striking the following items:

''Assistant Secretaries of Commerce (11).'';

(2) by striking the following item:

''General Counsel of the Department of Commerce.'';

(3) by striking the following item:

''Associate Secretary of Commerce for Oceans and Atmosphere, the incumbent of which also serves as Deputy Administrator of the National Oceanic and Atmospheric Administration.'';

(4) by striking the following item:

''Director, National Institute of Standards and Technology, Department of Commerce.'';

(5) by striking the following item:

''Inspector General, Department of Commerce.'';

(6) by striking the following item:

''Chief Financial Officer, Department of Commerce.''; and

(7) by striking the following item:

''Director, Bureau of the Census, Department of Commerce.''.

(f) COMPENSATION FOR POSITIONS AT LEVEL V.—Section 5316 of title 5, United States Code, is amended—

(1) by striking the following item:

''Director, United States Travel Service, Department of Commerce.''; and

(2) by striking the following item:

''National Export Expansion Coordinator, Department of Commerce.''.

(g) INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 9(a)(1), by striking subparagraph (B);

(2) in section 11(1), by striking ''Commerce,''; and

(3) in section 11(2), by striking ''Commerce,'';

SEC. 7209. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on the date that is 6 months after the date of the enactment of this Act.

(b) PROVISIONS EFFECTIVE ON DATE OF ENACTMENT.—The following provisions of this chapter shall take effect on the date of the enactment of this Act:

(1) Section 7231(b).

(2) Section 7236(c).

(3) Section 7237.

CHAPTER 2—DISPOSITION OF PARTICULAR PROGRAMS, FUNCTIONS, AND AGENCIES OF DEPARTMENT OF COMMERCE

SEC. 7231. ECONOMIC DEVELOPMENT.

(a) TERMINATED FUNCTIONS.—The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.) is repealed.

(b) TRANSFER OF FINANCIAL OBLIGATIONS OWED TO THE DEPARTMENT.—There are transferred to the Secretary of the Treasury the loans, notes, bonds, debentures, securities, and other financial obligations owned by the Department of Commerce under the Public Works and Economic Development Act of 1965, together with all assets or other rights (including security interests) incident thereto, and all liabilities related thereto. There are assigned to the Secretary of the Treasury the functions, powers, and abilities vested in or delegated to the Secretary of Commerce or the Department of Commerce to manage, service, collect, sell, dispose of, or otherwise realize proceeds on obligations owed to the Department of Commerce under authority of such Act with respect to any loans, obligations, or guarantees made or issued by the Department of Commerce pursuant to such Act.

(c) AUDIT.—Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall conduct an audit of all grants made or issued by the Department of Commerce under the Public Works and Economic Development Act of 1965 in fiscal year 1995 and all loans, obligations, and guarantees and shall transmit to Congress a report on the results of such audit.

SEC. 7232. EXPORT CONTROL FUNCTIONS.

(a) TRANSFER TO SECRETARY OF STATE.—

(1) IN GENERAL.—Except as provided in this section, all functions of the Secretary of Commerce, the Under Secretary of Commerce for Export Administration, the 2 Assistant Secretaries of Commerce appointed under section 15(a) of the Export Administration Act of 1979 (50 U.S.C. 2414(a)), and the Department of Commerce, on the day before the effective date specified in section 7109(a), under the Export Administration Act of 1979 are transferred to the Secretary of State.

(2) CONSULTATION WITH USTR.—The Secretary of State shall consult with the United States Trade Representative with respect to licensing decisions under the Export Administration Act of 1979.

(b) SHORT SUPPLY CONTROLS.—All functions of the Secretary of Commerce, on the day before the effective

date specified in section 7109(a), under section 7 of the Export Administration Act of 1979 (50 U.S.C. 2406), and under all other provisions of that Act to the extent that such provisions apply to section 7, are transferred to the President.

(c) ENFORCEMENT.—

(1) GENERAL TRANSFER.—All functions of the Secretary of Commerce and the Department of Commerce, on the day before the effective date specified in section 7109(a), under sections 11(c), 12, and 13 (c), (d), and (e) of the Export Administration Act of 1979 (50 U.S.C. App. 2410(c), 2411, and 2412 (c), (d), and (e)) are transferred to the Secretary of the Treasury.

(2) TRANSFER OF ENFORCEMENT PERSONNEL.—Not more than 60 United States special agents of the Bureau of Export Administration of the Department of Commerce who, on the day before the effective date specified in section 7109(a), were assigned to perform functions under section 12(a) of the Export Administration Act of 1979 may be transferred to the Customs Service to carry out functions transferred by paragraph (1). The Director of the Office of Management and Budget shall

determine the special agents to be transferred under this paragraph.

(d) ANTI-BOYCOTT COMPLIANCE.—All functions of the Secretary of Commerce and the Department of Commerce, on the day before the effective date specified in section 7109(a), under section 8 of the Export Administration Act of 1979 (50 U.S.C. 2407), and under all other provisions of that Act to the extent that such provisions apply to section 8, are transferred to the Attorney General.

(e) TERMINATION OF OFFICE OF FOREIGN AVAILABILITY; APPOINTMENT OF INDUSTRIES BOARD.—

(1) TERMINATION OF OFFICE.—(A) The Office of Foreign Availability established under section 5(f)(6) of the Export Administration Act of 1979 (50 U.S.C. 2404(f)(6)) is abolished.

(2) CONFORMING AMENDMENT.—Section 5(f) of the Export Administration Act of 1979 (50 U.S.C. App. 2404(f)) is amended by striking paragraph (6).

(3) APPOINTMENT OF INDUSTRIES BOARD.—The President shall appoint an industries board, composed of representatives of industries affected by matters relating to foreign availability under the Export Administration Act of 1979, to advise the Sec-

retary of State with respect to such matters, except that no Federal funds may be made available to the industries board to carry out its functions.

(f) BUYING POWER MAINTENANCE ACCOUNT.—The authority of the Secretary of Commerce under section 108 of title I of Public Law 100–202 (101 Stat. 1329–7) to establish a Buying Power Maintenance account is transferred to the Secretary of State for purposes of carrying out functions under the Export Administration Act of 1979 that are transferred to the Secretary of State under this section.

(g) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 15(a) of the Export Administration Act of 1979 (50 U.S.C. 2414(a)) is repealed.

(2) The Office of the Under Secretary of Commerce for Export Administration is abolished.

SEC. 7233. NATIONAL SECURITY FUNCTIONS.

(a) TRANSFER OF FUNCTIONS.—Functions of the Secretary of Commerce immediately before the effective date specified in section 7109(a)—

(1) under section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) are transferred to the International Trade Commission;

(2) under section 309 of the Defense Production Act of 1950 (50 U.S.C. App. 2099) are transferred to the Secretary of Defense; and

(3) under section 722 of the Defense Production Act of 1950 (50 U.S.C. App. 2171) are transferred to the Secretary of the Treasury.

(b) NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE COUNCIL.—Section 2502(b) of title 10, United States Code, is amended by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(c) APPOINTMENT OF COMMITTEES OF INDUSTRY REPRESENTATIVES.—The President should appoint committees composed of representatives of appropriate industries to advise the National Security Council with respect to those matters affecting industry addressed by the Secretary of Commerce to the National Security Council before the effective date specified in section 7109(a).

SEC. 7234. INTERNATIONAL TRADE FUNCTIONS.

(a) TARIFF ACT OF 1930; URUGUAY ROUND AGREEMENTS ACT.—

(1) TRANSFER TO UNITED STATES TRADE REPRESENTATIVE.—All functions of the International Trade Administration of the Department of Commerce, immediately before the effective date speci-

fied in section 7109(a), under titles III and VII of the Tariff Act of 1930, and all functions of the administering authority or the Secretary of Commerce under the Uruguay Round Agreements Act, are transferred to the United States Trade Representative.

(2) CONFORMING AMENDMENT.—Section 771(1) of the Tariff Act of 1930 (19 U.S.C. 1677(1)) is amended by striking ''Secretary of Commerce'' and inserting ''United States Trade Representative''.

(b) FOREIGN TRADE ZONES BOARD.—Subsection (b) of the first section of the Act of June 18, 1934 (commonly known as the ''Foreign Trade Zones Act'') (19 U.S.C. 81a(b)) is amended by striking ''Secretary of Commerce, who shall be chairman and executive officer of the Board, the Secretary of the Treasury'' and inserting ''Secretary of the Treasury, who shall be chairman and executive officer of the Board, the United States Trade Representative''.

(c) UNITED STATES AND FOREIGN COMMERCIAL SERVICE.—

(1) RENAMING AND ABOLITION OF CERTAIN FUNCTIONS.—The United States and Foreign Commercial Service shall, upon the effective date speci-

fied in section 7109(a), be known as the ''United States Foreign Commercial Service'' (hereafter in this subsection referred to as the ''Commercial Service''). All operations of the Commercial Service in the United States (other than those performed at the headquarters office referred to in section 2301(c) of the Export Enhancement Act of 1988 (15 U.S.C. 4721(c))) with respect to the foreign operations of the Commercial Service) are abolished.

(2) TRANSFER TO USTR.—The Commercial Service and its functions are transferred to the United States Trade Representative. All functions performed immediately before the effective date specified in section 7109(a) by the Secretary of Commerce or the Department of Commerce with respect to the Commercial Service are transferred to the United States Trade Representative.

(3) DIRECTOR GENERAL.—(A) The head of the Commercial Service shall, as of the effective date specified in section 7109(a), be the Director General of the United States Foreign Commercial Service.

(B) Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service'' and inserting ''Di-

rector General of the United States Foreign Commercial Service.''.

(C) The individual serving as Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service immediately before the effective date specified in section 7109(a) may serve as the Director General of the United States Foreign Commercial Service on and after such effective date until a successor has taken office. Compensation for any service under this subparagraph shall be at the rate at which the individual was compensated immediately before the effective date specified in section 7109(a).

(4) TRANSFER OF COMMERCIAL SERVICE OFFICERS.—The transfer to the United States Trade Representative pursuant to this section of any Commercial Service Officer serving immediately before the effective date specified in section 7109(a) shall not cause such officer to be reduced in rank, grade, or compensation.

(d) EXPORT PROMOTION PROGRAMS.—

(1) TRANSFER.—All export promotion programs (as defined in section 201(d) of the Export Administration Amendments Act of 1985 (15 U.S.C. 4051(d))) carried out by the Secretary of Commerce

or the Department of Commerce immediately before the effective date specified in section 7109(a) are transferred to the United States Trade Representative.

(2) PRIVATE FUNDING.—With respect to any program transferred under paragraph (1), no funds made available to the United States Trade Representative may be used in carrying out such program, but the United States Trade Representative may require the persons to whom services are provided by the Office of the United States Trade Representative under such program to pay for such services.

(e) TRADE INFORMATION.—All functions of the Secretary of Commerce under the International Investment and Trade in Services Survey Act (22 U.S.C. 3101 and following) are transferred to the Secretary of the Treasury.

(f) INTERNATIONAL ECONOMIC POLICY.—All functions performed by the Assistant Secretary of Commerce for International Economic Policy and the Office of International Economic Policy of the Department of Commerce immediately before the effective date specified in section 7109(a) are abolished.

(g) FUNCTIONS WITH RESPECT TO TEXTILE AGREEMENTS.—

(1) TRANSFER OF FUNCTIONS.—Notwithstanding the provisions of Executive Order 11651 and Executive Order 12475 (7 U.S.C. 1854 note), the functions of the Committee for the Implementation of Textile Agreements (hereafter in this subsection referred to as ''CITA'') are transferred as follows:

(A) All functions related to policy formulation for textile and apparel trade, including the negotiation and implementation of textile and apparel trade agreements, and all related activities performed by CITA immediately before the effective date specified in section 7109(a), and not specified in paragraphs (2) through (4), are transferred to the United States Trade Representative.

(B) All functions related to economic analysis of textile and apparel trade patterns, determination of serious damage, or actual threat thereof, to domestic United States industry and related safeguards matters, including the transitional safeguard provisions under Article 6 of the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay

Round Agreements Act (19 U.S.C. 3511(d)(4)), and analysis of the impact of foreign tariff and nontariff barriers on textile and apparel trade, and all related activities performed by CITA immediately before the effective date specified in section 7109(a), are transferred to the International Trade Commission.

(C) All functions related to the promotion and foreign market expansion of United States textile and apparel production are transferred to the United States Foreign Commercial Service.

(D) All functions related to monitoring quota utilization and enforcement, and actions to address the circumvention of quotas, as described in the statement of administrative action accompanying the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)), are transferred to the Secretary of the Treasury.

(2) ABOLITION OF CITA.—CITA is abolished.

(h) FAIR TRADE IN AUTO PARTS.—All functions of the Secretary of Commerce under the Fair Trade in Auto Parts Act of 1988 (15 U.S.C. 4701 and following) are transferred to the International Trade Commission.

(i) OTHER TRADE FUNCTIONS.—

(1) INTERAGENCY TRADE ORGANIZATION.—The President shall provide for the direct participation by representatives of industry on the Interagency Trade Organization established under section 242 of the Trade Expansion Act of 1962 (19 U.S.C. 1872), to carry out appropriate functions of the Secretary of Commerce as a member of such organization before the effective date specified in section 7109(a).

(2) EXPORT TRADING COMPANIES.—(A) The functions of the Secretary of Commerce under the Export Trading Company Act of 1982 (15 U.S.C. 4001–4003), and the Office of Export Trade established under section 104 of that Act, are abolished.

(B) The functions of the Secretary of Commerce under title III of the Act of October 8, 1982 (15 U.S.C. 4011 and following), are transferred to the Secretary of the Treasury.

(C) CONFORMING AMENDMENTS.—(i) The Export Trading Company Act of 1982 (15 U.S.C. 4001–4003) is repealed.

(ii) The section heading for section 301 of the Act of October 8, 1982 (15 U.S.C. 4011), is amended by striking ''COMMERCE'' and inserting ''TREASURY''.

(iii) Section 311(7) of the Act of October 8, 1982 (15 U.S.C. 4021), is amended by striking ''Commerce'' and inserting ''Treasury''.

(j) APPOINTMENT OF INDUSTRIES BOARDS.—The President shall appoint industries boards, composed of representatives of industries in the private sector, to advise the Secretary of the Treasury and the United States Trade Representative with respect to functions transferred to them under this section.

(k) GIFTS AND BEQUESTS.—

(1) IN GENERAL.—The Secretary of State, the Secretary of the Treasury, and the United States Trade Representative are authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the performance of functions transferred to them under this section and section 7232. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the United States Treasury in a separate fund and shall be disbursed on order of the Secretary of State, the Secretary of the Treasury, or the United States Trade Representative. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as

possible in accordance with the terms of the gift or bequest.

(2) TAX TREATMENT.—For the purpose of Federal income, estate, and gift taxes, and State taxes, property accepted under subsection (a) shall be considered a gift or bequest to or for use of the United States.

(3) INVESTMENT.—The Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in subsection (a). Income accruing from such securities, and from any other property held by the Secretary of State, the Secretary of the Treasury, or the United States Trade Representative pursuant to subsection (a), shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary of State, the Secretary of the Treasury, or the United States Trade Representative.

(l) INFORMATION SHARING.—It is the sense of the Congress that any department or agency of the United States that compiles information on international economics or trade make that information available to other de-

partments and agencies performing functions relating to international trade.

(m) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 and following) and the items relating to such chapter in the table of contents for that Act, are repealed.

SEC. 7235. PATENT AND TRADEMARK OFFICE.

(a) TRANSFER TO DEPARTMENT OF JUSTICE.—Effective as of the date specified in section 7109(a)—

(1) the Patent and Trademark Office shall be transferred to the Department of Justice; and

(2) all functions which, immediately before such date, are functions of the Secretary of Commerce under title 35, United States Code, or any other provision of law with respect to the functions of the Patent and Trademark Office, are transferred to the Attorney General.

(b) FUNDING.—

(1) COSTS PAID FROM FEES.—All costs of the activities of the Patent and Trademark Office shall be paid from fees paid to the Office under title 35, United States Code, the Act of July 5, 1946 (commonly known as the ''Trademark Act of 1946'') (15 U.S.C. 1051 and following), section 10101 of the

Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note), or other provision of law.

(2) FUNDS AVAILABLE WITHOUT APPROPRIATION.—(A) Section 42(c) of title 35, United States Code, is amended by striking ''to carry out, to the extent provided in appropriation Acts,'' and inserting '', without appropriation, to carry out''.

(B) Section 10101(b)(2)(B) of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended by striking ''to the extent provided in appropriation Acts'' and inserting ''without appropriation''.

(c) ADJUSTMENT OF FEES.—Section 41(f) of title 31, United States Code, is amended to read as follows:

''(f) The Commissioner may adjust the fees established under this section on October 1 of each year to cover the estimated cost to the activities of the Office.''.

(d) SERVICE OF INCUMBENTS.—Those individuals serving as Commissioner of Patents and Trademarks, Deputy Commissioner of Patents and Trademarks, Assistant Commissioner of Patents, and Assistant Commissioner of Trademarks, immediately before the effective date specified in section 7109(a), may continue in such office on and after such effective date until a successor has taken office. Compensation for any service under this

subsection shall be at the rate at which the individual was compensated immediately before the effective date specified in section 7109(a).

(e) RULE OF CONSTRUCTION.—For purposes of title III, the transfer of the Patent and Trademark Office to the Department of Justice under this section shall be treated as if it involved a transfer of functions from one office to another.

(f) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 1 of title 35, United States Code, is amended to read as follows:

"§ 1. Establishment

''The Patent and Trademark Office is an agency of the United States within the Department of Justice, where records, books, drawings, specifications, and other papers and things pertaining to patents and trademark registrations shall be kept and preserved, except as otherwise provided by law.''.

(2) Title 35, United States Code, is amended by striking ''Secretary of Commerce'' each place it appears and inserting ''Attorney General''.

(3) Section 3 of title 35, United States Code, is amended by striking subsection (d).

(4) Section 5316 of title 5, United States Code, is amended by striking

"Commissioner of Patents, Department of Commerce."

and inserting

"Commissioner of Patents and Trademarks.".

SEC. 7236. TECHNOLOGY ADMINISTRATION.

(a) TECHNOLOGY ADMINISTRATION.—

(1) GENERAL RULE.—Except as otherwise provided in this section, the Technology Administration shall be terminated on the effective date specified in section 7233(a).

(2) OFFICE OF TECHNOLOGY POLICY.—The Office of Technology Policy is hereby terminated.

(b) NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—

(1) GENERAL RULE.—Except as otherwise provided in this subsection, the National Institute of Standards and Technology (in this subsection referred to as the "Institute") shall be transferred to the National Science Foundation.

(2) FUNCTIONS OF DIRECTOR.—Except as otherwise provided in this subsection, upon the transfer under paragraph (1), the Director of the Institute shall perform all functions relating to the Institute that, immediately before the effective date specified in section 7233(a), were functions of the Secretary

of Commerce or the Under Secretary of Commerce for Technology, including the administration of section 17 of the Stevenson-Wydler Technology Innovation Act of 1980.

(3) LABORATORIES.—(A) The laboratories of the Institute shall be transferred to the Commerce Programs Resolution Agency.

(B) The Commerce Programs Resolution Agency shall attempt to sell the property of the laboratories of the Institute, within 18 months after the effective date specified in section 7233(a), to a private sector entity intending to perform substantially the same functions as were performed by the laboratories of the Institute immediately before such effective date.

(C) If no offer to purchase property under subparagraph (B) is received within the 18-month period described in such subparagraph, the Commerce Programs Resolution Agency shall submit a report to the Congress containing recommendations on the appropriate disposition of the property and functions of the laboratories of the Institute.

(c) NATIONAL TECHNICAL INFORMATION SERVICE.—

(1) SALE OF PROPERTY.—The Commerce Programs Resolution Agency shall attempt to sell the property of the National Technical Information Service, within 18 months after the effective date specified in section 7233(a), to a private sector entity intending to perform substantially the same functions as were performed by the National Technical Information Service immediately before such effective date.

(2) RECOMMENDATIONS.—If no offer to purchase property under paragraph (1) is received within the 18-month period described in such paragraph, the Commerce Programs Resolution Agency shall submit a report to the Congress containing recommendations on the appropriate disposition of the property and functions of the National Technical Information Service.

(3) FUNDING.—No Federal funds may be appropriated for the National Technical Information Service for any fiscal year after fiscal year 1995.

(d) AMENDMENTS.—

(1) NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY ACT.—The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended—

(A) in section 2(b), by striking paragraph (1) and redesignating paragraphs (2) through (11) as paragraphs (1) through (10), respectively;

(B) in section 2(d), by striking ‘‘, including the programs established under sections 25, 26, and 28 of this Act’’;

(C) in section 10, by striking ‘‘Advanced’’ in both the section heading and subsection (a), and inserting in lieu thereof ‘‘Standards and’’; and

(D) by striking sections 24, 25, 26, and 28.

(2) STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(A) in section 3, by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(B) in section 4, by striking paragraphs (1), (4), and (13) and redesignating paragraphs (2), (3), (5), (6), (7), (8), (9), (10), (11), and (12) as paragraphs (1) through (10), respectively;

(C) by striking sections 5, 6, 7, 8, 9, and 10;

(D) in section 11—

(i) by striking ‘‘, the Federal Laboratory Consortium for Technology Transfer,’’ in subsection (c)(3);

(ii) by striking ‘‘and the Federal Laboratory Consortium for Technology Transfer’’ in subsection (d)(2);

(iii) by striking ‘‘, and refer such requests’’ and all that follows through ‘‘available to the Service’’ in subsection (d)(3); and

(iv) by striking subsection (e); and

(E) in section 17—

(i) by striking ‘‘Subject to paragraph (2), separate’’ and inserting in lieu thereof ‘‘Separate’’ in subsection (c)(1);

(ii) by striking paragraph (2) of subsection (c);

(iii) by redesignating paragraph (3) of subsection (c) as paragraph (2); and

(iv) by inserting ‘‘administrative’’ after ‘‘funds to carry out’’ in subsection (f).

SEC. 7237. REORGANIZATION OF THE BUREAU OF THE CENSUS.

(a) IN GENERAL.—Effective as of the date specified in section 7233(a)—

(1) the Bureau of the Census shall be transferred to the Department of the Treasury; and

(2) all functions which, immediately before such date, are functions of the Secretary of Commerce under title 13, United States Code, shall be transferred to the Secretary of the Treasury.

(b) INTERIM SERVICE.—The individual serving as the Director of the Census immediately before the reorganization under this section takes effect may continue serving in that capacity until a successor has taken office. Compensation for any service under this subsection shall be at the rate at which such individual was compensated immediately before the effective date of the reorganization.

(c) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Bureau of the Census should—

(1) make appropriate use of any authority afforded to it by the Census Address List Improvement Act of 1994 (Public Law 103–430; 108 Stat. 4393), and take measures to ensure the timely implementation of such Act; and

(2) streamline census questionnaires to promote savings in the collection and tabulation of data.

(d) AMENDMENTS.—Effective as of the date specified in section 7233(a)—

(1) TRANSFER OF THE BUREAU TO THE DEPARTMENT OF THE TREASURY.—(A) Section 2 of title 13, United States Code, is amended by striking ''is continued as'' through the period and inserting ''is an agency within, and under the jurisdiction of, the Department of the Treasury.''.

(B) Subsection (e) of section 12 of the Act of February 14, 1903 (15 U.S.C. 1511(e)) is repealed.

(2) DEFINITION OF SECRETARY.—Title 13, United States Code, is amended in section 1(2) by striking ''Secretary of Commerce'' and inserting ''Secretary of the Treasury''.

(3) REFERENCES IN TITLE 13, UNITED STATES CODE, TO THE DEPARTMENT OF COMMERCE.—Title 13, United States Code, is amended in sections 4, 9(a), 23(b), 24(e), 44, 103, 132, 211, 213(b)(2), 221, 222, 223, 224, 225(a), and 241 by striking ''Department of Commerce'' each place it appears and inserting ''Department of the Treasury''.

(4) PROVISIONS RELATING TO THE SECRETARY OF THE TREASURY.—(A) Section 302 of title 13, United States Code, is amended by striking the last sentence thereof.

(B) Section 303 of title 13, United States Code, and the item relating to such section in the analysis for chapter 9 of such title are repealed.

(C) Section 304(a) of title 13, United States Code, is amended—

(i) by striking ''Secretary of the Treasury'' each place it appears and inserting ''Secretary''; and

(ii) by striking ''Secretary of Commerce'' and inserting ''Secretary''.

(D)(i) Section 401(a) of title 13, United States Code, is amended by striking ''Secretary of Commerce'' and inserting ''Secretary''.

(ii) Section 8(e) of the Foreign Direct Investment and International Financial Data Improvements Act of 1990 (22 U.S.C. 3144(e)) is amended by striking ''Secretary of Commerce'' and inserting ''Secretary of the Treasury''.

(iii) Section 401(a) of title 13, United States Code, is amended by striking ''Department of Commerce'' and inserting ''Federal Reserve System''.

(5) COMPENSATION FOR THE POSITION OF DIRECTOR OF THE CENSUS.—Section 5315 of title 5, United States Code, as amended by paragraph (7) of section 7108(e), is further amended by inserting

(in lieu of the item struck by such paragraph) the following new item:

''Director of the Census, Department of the Treasury.''.

(6) CONFIDENTIALITY.—Section 9 of title 13, United States Code, is amended by adding at the end the following:

''(c)(1) Nothing in subsection (a)(3) shall be considered to permit the disclosure of any matter or information to an officer or employee of the Department of the Treasury who is not referred to in subchapter II if, immediately before the date specified in section 7233(a) of the Department of Commerce Dismantling Act, such disclosure (if then made by an officer or employee of the Department of Commerce) would have been impermissible under this section (as then in effect).

''(2) Paragraph (1) shall not apply with respect to any disclosure made to the Secretary.''.

(e) RULE OF CONSTRUCTION.—For purposes of title III, the reorganization of the Bureau of the Census under this section shall be treated as if it involved a transfer of functions from one office to another.

SEC. 7238. REORGANIZATION OF THE BUREAU OF ECONOMIC ANALYSIS.

(a) IN GENERAL.—Effective as of the date specified in section 7233(a)—

(1) the Bureau of Economic Analysis shall be transferred to the Federal Reserve System; and

(2) all functions which, immediately before such date, are functions of the Secretary of Commerce with respect to the Bureau of Economic Analysis shall be transferred to the Chairman of the Board of Governors of the Federal Reserve System.

(b) INTERIM SERVICE.—The individual serving as the Director of the Bureau of Economic Analysis immediately before the reorganization under this section takes effect may continue serving in that capacity until a successor has taken office. Compensation for any service under this subsection shall be at the rate at which such individual was compensated immediately before the effective date of the reorganization.

(c) REPORTS.—Not later than 18 months after the date of the enactment of this Act, the Director of the Bureau of Economic Analysis shall submit to the Congress a written report on—

(1) the availability of any private sector resources that may be capable of performing any or all of the functions of the Bureau of Economic Analy-

sis, and the feasibility of having any such functions so performed; and

(2) the feasibility of implementing a system under which fees may be assessed by the Bureau of Economic Analysis in order to defray the costs of any services performed by the Bureau of Economic Analysis, when such services are performed other than on behalf of the Federal Government or an agency or instrumentality thereof.

(d) RULE OF CONSTRUCTION.—For purposes of title III, the reorganization of the Bureau of Economic Analysis under this section shall be treated as if it involved a transfer of functions from one office to another.

SEC. 7239. TERMINATED FUNCTIONS OF NTIA.

The following provisions of law are repealed:

(1) Subpart A of part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.), relating to assistance for public telecommunications facilities.

(2) Subpart B of part IV of title III of the Communications Act of 1934 (47 U.S.C. 394 et seq.), relating to the Endowment for Children's Educational Television.

(3) Subpart C of part IV of title III of the Communications Act of 1934 (47 U.S.C. 395 et

seq.), relating to Telecommunications Demonstration grants.

SEC. 7240. TRANSFER OF SPECTRUM MANAGEMENT FUNCTIONS.

There are transferred to the Chairman of the Federal Communications Commission all functions of the Secretary of Commerce, the Assistant Secretary of Commerce for Communications and Information, and the National Telecommunications and Information Administration under parts A and B of the National Telecommunication and Information Administration Organization Act.

SEC. 7241. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.

(a) TERMINATION OF AUTHORITY TO MAKE FISHERIES GRANTS.—No financial assistance may be provided under any of the following laws, except to the extent the provision of that assistance is a contractual obligation of the United States on the day before the effective date of this section:

(1) Section 2 of the Act of August 11, 1939 (15 U.S.C. 713c–3), popularly known as the ''Saltonstall-Kennedy Act''.

(2) Section 1 of the Act of September 2, 1960 (16 U.S.C. 753a).

(3) The Antarctic Marine Living Resources Convention Act of 1984 (16 U.S.C. 2431 et seq.).

(4) The Anadromous Fish Conservation Act (16 U.S.C. 757a et seq.).

(5) Provisions of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) and the Department of Commerce Appropriation Act of 1994 that authorize assistance to State fishery agencies to enhance their data collection and analysis systems to respond to coastwise fisheries management needs.

(6) The Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4101 et seq.).

(7) Provisions of the Fish and Wildlife Act of 1956 and the Department of Commerce Appropriation Act of 1994 that authorize assistance to States for a cooperative State and Federal partnership to provide a continuing source of fisheries statistics to support fisheries management in the States' territorial waters and the United States exclusive economic zone.

(8) Provisions of the Fish and Wildlife Act of 1956 and the Department of Commerce Appropriation Act of 1994 that authorize assistance to States for a cooperative program which engages State and

Federal agencies in the coordinated collection, management, and dissemination of fishery-independent information on marine fisheries in support of State territorial waters and the United States exclusive economic zone fisheries management programs.

(9) Provisions of the Act of May 11, 1938 (16 U.S.C. 756–757), popularly known as the Mitchell Act, and the Department of Commerce Appropriation Act of 1994 that authorize assistance to State fisheries agencies in the Pacific Northwest to protect and enhance salmon and steelhead resources in the region.

(10) Provisions of the Pacific Salmon Treaty Act of 1985 (16 U.S.C. 3631–3644) and the Department of Commerce Appropriation Act of 1994 that authorize assistance to States in fulfilling responsibilities under the Pacific Salmon Treaty by providing administrative, management, and applied research support to the States to meet the needs of the Pacific Salmon Commission and international commitments under the treaty.

(11) Provisions of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371–1384) and the Department of Commerce Appropriation Act of 1994 which authorize assistance to State agencies for the

collection and analysis of information on marine mammals that occur in the State waters and interact with State managed fisheries.

(12) Provisions of the Pacific Salmon Treaty Act of 1985 (16 U.S.C. 3631–3644) and the Department of Commerce Appropriation Act of 1994 that—

(A) authorize assistance to States to assist in fulfilling Federal responsibilities under the Pacific Salmon Treaty by restoring Southeast Alaska salmon harvests limited by the treaty and by restoring salmon stocks as quickly as possible; and

(B) help implement a 1989 ''Understanding between the United States and Canadian Sections of the Pacific Salmon Commission Concerning Joint Enhancement of Transboundary River Salmon Stocks''.

(b) TERMINATION OF FISHERIES TRADE PROMOTION PROGRAM.—Section 211 of the Act of December 22, 1989 (15 U.S.C. 1511b) is repealed.

(c) CONFORMING AMENDMENT TO TERMINATE FISHERIES PROMOTION AND DEVELOPMENT TRANSFERS AND FUNDS.—Section 2(b) of the Act of August 11, 1939 (15 U.S.C. 713c–3), popularly known as the ''Saltonstall-

Kennedy Act'', is repealed. Amounts remaining, on the effective date of this section, in the funds established under that section that are not required for the provision of financial assistance that is not otherwise terminated by this section shall revert to the general fund of the Treasury.

(d) TERMINATION OF AUTHORITY TO GUARANTEE OBLIGATIONS FOR FISHING VESSEL AND FISHING FACILITY CONSTRUCTION, ETC.—No new guarantee of an obligation or commitment to guarantee an obligation under title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.) may be made under authority that was vested in the Secretary of Commerce on the day before the effective date of this section (relating to obligations for fishing vessels or fishing facilities), except to the extent the making of such a guarantee was a contractual obligation of the United States on the day before that effective date.

(e) TERMINATION OF COMPENSATION UNDER FISHERMEN'S PROTECTIVE ACT OF 1967.—No compensation may be paid under section 10 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1980), relating to compensation for damage, loss, or destruction of fishing vessels or fishing gear, except to the extent the compensation was awarded before the effective date of this section.

(f) TERMINATION OF COMPENSATION TO FISHERMEN UNDER OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1978.—No compensation may be paid under title IV of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1841 et seq.), except to the extent the compensation was awarded before the effective date of this section.

(g) TERMINATION OF MISCELLANEOUS RESEARCH FUNCTIONS.—The following functions, as vested in personnel of the National Oceanic and Atmospheric Administration on the day before the effective date of this section, are terminated:

(1) All observation and prediction functions relating to pollution research.

(2) All functions relating to estuarine and coastal assessment research.

(h) TERMINATION OF NOAA CORPS.—

(1) TERMINATION.—The National Oceanic and Atmospheric Administration Corps is terminated, and the assets thereof shall be transferred to the Commerce Programs Resolution Agency.

(2) DISPOSITION OF ASSETS.—The Administrator of the Commerce Programs Resolution Agency shall attempt to sell the assets of the National Oceanic and Atmospheric Administration Corps,

within 18 months after the effective date specified in section 7233(a), to a private sector entity intending to perform substantially the same functions as were performed by the National Oceanic and Atmospheric Administration Corps immediately before such effective date.

(3) REPORT.—If no offer to purchase assets under paragraph (2) is received within the 18-month period described in such paragraph, the Commerce Programs Resolution Agency shall submit a report to the Congress containing recommendations on the appropriate disposition of the assets and functions of the National Oceanic and Atmospheric Administration Corps.

(i) DISPOSAL OF NOAA FLEET.—The Secretary of the Interior—

(1) shall cease modernization of the National Oceanic and Atmospheric Administration fleet of vessels and terminate all new construction for that fleet;

(2) shall promptly dispose of all assets comprising the National Oceanic and Atmospheric Administration fleet; and

(3) may not purchase any vessels for the National Oceanic and Atmospheric Administration.

(j) OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH.—(1) Except as otherwise provided in paragraph (2) or (3), the Office of Oceanic and Atmospheric Research shall be terminated.

(2) Functions relating to weather research of the Office of Oceanic and Atmospheric Research shall be transferred to the National Weather Service.

(3)(A) The laboratories of the Office of Oceanic and Atmospheric Research shall be transferred to the Commerce Programs Resolution Agency.

(B) The Commerce Programs Resolution Agency shall attempt to sell the property of the laboratories of the Office of Oceanic and Atmospheric Research, within 18 months after the effective date specified in section 7233(a), to a private sector entity intending to perform substantially the same functions as were performed by the laboratories of the Office of Oceanic and Atmospheric Research immediately before such effective date.

(C) If no offer to purchase property under subparagraph (B) is received within the 18-month period described in such subparagraph, the Commerce Programs Resolution Agency shall transfer the remaining laboratories to the Department of the Interior, which shall submit a report to the Congress containing recommendations

on the appropriate disposition of the property and functions of such laboratories.

(k) NAUTICAL AND AERONAUTICAL CHARTING.—(1) The nautical and aeronautical charting functions of the National Oceanic and Atmospheric Administration shall be transferred to the Defense Mapping Agency.

(2) The Defense Mapping Agency shall terminate any functions transferred to it under paragraph (1) that are performed by the private sector.

(l) NESDIS.—(1)(A) The National Environmental Satellite, Data, and Information System Data Centers shall be transferred to the Commerce Programs Resolution Agency.

(B) The Commerce Programs Resolution Agency shall attempt to sell the property of the National Environmental Satellite, Data, and Information System Data Centers, within 18 months after the effective date specified in section 7233(a), to a private sector entity intending to perform substantially the same functions as were performed by the National Environmental Satellite, Data, and Information System Data Centers immediately before such effective date.

(C) If no offer to purchase property under subparagraph (B) is received within the 18-month period described in such subparagraph, the Commerce Programs

Resolution Agency shall submit a report to the Congress containing recommendations on the appropriate disposition of the property and functions of the National Environmental Satellite, Data, and Information System Data Centers.

(2) Functions related to weather satellites of the National Environmental Satellite, Data, and Information System shall be transferred to the National Weather Service.

(m) NATIONAL WEATHER SERVICE.—(1) The National Weather Service is hereby transferred to the Department of the Interior.

(2)(A) The National Weather Service shall terminate its specialized agricultural, Marine Radiofax, and forestry weather services, and its Regional Climate Centers.

(B) The National Weather Service may terminate any other specialized weather services not required by law to be performed.

(n) NATIONAL MARINE FISHERIES SERVICE.—

(1) TRANSFER OF ENFORCEMENT FUNCTIONS.—There are transferred to the Secretary of Transportation all functions relating to law enforcement that on the day before the effective date of this section were authorized to be performed by the National Marine Fisheries Service.

(2) TRANSFER OF SCIENCE FUNCTIONS.——There are transferred to the Director of the United States Fish and Wildlife Service all functions relating to science that on the day before the effective date of this section were authorized to be performed by the National Marine Fisheries Service.

(3) TRANSFER OF SEAFOOD INSPECTION FUNCTIONS.—There are transferred to the Secretary of Agriculture all functions relating to seafood inspection that on the day before the effective date of this section were authorized to be performed by the National Marine Fisheries Service.

(o) NATIONAL OCEAN SERVICE.—

(1) TRANSFER OF GEODESY FUNCTIONS.—There are transferred to the Director of the United States Geological Survey all functions relating to geodesy that on the day before the effective date of this section were authorized to be performed by the National Ocean Service.

(2) TRANSFER OF MARINE AND ESTUARINE SANCTUARY FUNCTIONS.—There are transferred to the Secretary of the Interior all functions relating to marine and estuarine sanctuaries that on the day before the effective date of this section were authorized to be performed by the National Ocean Service.

(p) ENVIRONMENTAL RESEARCH LABORATORIES.—

(1) TRANSFER.—The environmental research laboratories of the National Oceanic and Atmospheric Administration (other than laboratories of the Office of Oceanic and Atmospheric Research, referred to in subsection (j)) shall be transferred to the Commerce Programs Resolution Agency.

(2) DISPOSAL.—The Commerce Programs Resolution Agency shall attempt to sell the property of the laboratories transferred under paragraph (1), within 18 months after the effective date specified in section 7233(a), to a private sector entity intending to perform substantially the same functions as were performed by the laboratories before such effective date.

(3) REPORT.—If no offer to purchase property under paragraph (2) is received within the 18-month period described in such paragraph, the Commerce Programs Resolution Agency shall submit a report to the Congress containing recommendations on the appropriate disposition of the property and functions of the laboratories transferred under paragraph (1).

SEC. 7242. MISCELLANEOUS ABOLISHMENTS.

The following agencies and programs of the Department of Commerce are abolished, and the functions of

those agencies or programs are abolished except to the extent otherwise provided in this title:

(1) The Economic Development Administration.

(2) The Minority Business Development Administration.

(3) The United States Travel and Tourism Administration.

(4) The National Telecommunications and Information Administration.

(5) The Advanced Technology Program under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n).

(6) The Manufacturing Extension Programs under sections 25 and 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278k and 278l).

SEC. 7243. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title shall take effect on the effective date specified in section 7109(a).

(b) PROVISIONS EFFECTIVE ON DATE OF ENACTMENT.—The following provisions of this chapter shall take effect on the date of the enactment of this Act:

(1) Section 7201.

(2) Section 7206 (a)(2) and (d).

(3) Section 7232.

SEC. 7244. SENSE OF CONGRESS REGARDING USER FEES.

It is the sense of the Congress that the head of each agency that performs a function vested in the agency by this title should, wherever feasible, explore and implement user fees for the provision of services in the performance of that function, to offset operating costs.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 7251. REFERENCES.

Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to an office from which a function is transferred by this title—

(1) to the Secretary of Commerce or an officer of the Department of Commerce, is deemed to refer to the head of the department or office to which such function is transferred; or

(2) to the Department of Commerce or an agency in the Department of Commerce is deemed to refer to the department or office to which such function is transferred.

SEC. 7252. EXERCISE OF AUTHORITIES.

Except as otherwise provided by law, a Federal official to whom a function is transferred by this title may,

for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date of the transfer of the function under this title.

SEC. 7253. SAVINGS PROVISIONS.

(a) LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Secretary of Commerce, any officer or employee of any office transferred by this title, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transferred by this title, and

(2) that are in effect on the effective date of such transfer (or become effective after such date pursuant to their terms as in effect on such effective date),

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other author-

ized official, a court of competent jurisdiction, or operation of law.

(b) PROCEEDINGS.—This title shall not affect any proceedings or any application for any benefits, service, license, permit, certificate, or financial assistance pending on the date of the enactment of this Act before an office transferred by this title, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this title had not been enacted.

(c) SUITS.—This title shall not affect suits commenced before the date of the enactment of this Act, and in all such suits, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Commerce or the Secretary of Commerce, or by or against any individual in the official capacity of such individual as an officer or employee of an office transferred by this title, shall abate by reason of the enactment of this title.

(e) CONTINUANCE OF SUITS.—If any officer of the Department of Commerce or the Commerce Programs Resolution Agency in the official capacity of such officer is party to a suit with respect to a function of the officer, and under this title such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

SEC. 7254. TRANSFER OF ASSETS.

Except as otherwise provided in this title, so much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with a function transferred to an official or agency by this title shall be available to the official or the head of that agency, respectively, at such time or times as the Director of the Office of Management and Budget

directs for use in connection with the functions transferred.

SEC. 7255. DELEGATION AND ASSIGNMENT.

Except as otherwise expressly prohibited by law or otherwise provided in this title, an official to whom functions are transferred under this title (including the head of any office to which functions are transferred under this title) may delegate any of the functions so transferred to such officers and employees of the office of the official as the official may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this section or under any other provision of this title shall relieve the official to whom a function is transferred under this title of responsibility for the administration of the function.

SEC. 7256. AUTHORITY OF ADMINISTRATOR WITH RESPECT TO FUNCTIONS TRANSFERRED.

(a) DETERMINATIONS.—If necessary, the Administrator shall make any determination of the functions that are transferred under this title.

(b) INCIDENTAL TRANSFERS.—The Administrator, at such time or times as the Administrator shall provide, may make such determinations as may be necessary with regard to the functions transferred by this title, and to make such additional incidental dispositions of personnel,

assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this title. The Administrator shall provide for the termination of the affairs of all entities terminated by this title and for such further measures and dispositions as may be necessary to effectuate the purposes of this title.

SEC. 7257. PROPOSED CHANGES IN LAW.

Not later than one year after the date of the enactment of this Act, the Director of the Office of Management and Budget shall submit to the Congress a description of any changes in Federal law necessary to reflect abolishments, transfers, terminations, and disposals under this title.

SEC. 7258. CERTAIN VESTING OF FUNCTIONS CONSIDERED TRANSFERS.

For purposes of this title, the vesting of a function in a department or office pursuant to reestablishment of an office shall be considered to be the transfer of the function.

SEC. 7259. DEFINITIONS.

For purposes of this title, the following definitions apply:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Commerce Programs Resolution Agency.

(2) AGENCY.—The term ''Agency'' means the Commerce Programs Resolution Agency.

(3) FUNCTION.—The term ''function'' includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(4) OFFICE.—The term ''office'' includes any office, administration, agency, bureau, institute, council, unit, organizational entity, or component thereof.

(5) WIND-UP PERIOD.—The term ''wind-up period'' means the period beginning on the effective date specified in section 109(a) and ending on the termination date specified in section 106(d).

SEC. 7260. LIMITATION ON ANNUAL EXPENDITURES FOR CONTINUED FUNCTIONS.

The amount expended by the United States each fiscal year for performance of a function which immediately before the effective date of this section was authorized to be performed by an agency, officer, or employee of the Department of Commerce may not exceed 75 percent of the total amount expended by the United States for performance of that function during fiscal year 1994.

Subtitle D—Banking and Insurance Reforms

CHAPTER 1—BANKING EXAMINATION FEES

SEC. 7301. BANK EXAMINATION FEES.

(a) FDIC EXAMINATION FEES.—Section 10(e)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1820(e)(1)) is amended to read as follows:

''(1) IN GENERAL.—

''(A) REGULATORY EXAMINATIONS.—The cost of conducting any examination under subsection (b)(2) of an insured depository institution described in subparagraph (A) of such subsection shall be assessed by the Corporation against the institution in an amount sufficient to meet the Corporation's expenses in carrying out the examination.

''(B) INSURANCE EXAMINATIONS.—The cost of conducting any examination of a depository institution under subsection (b)(2) or (b)(3), other than an examination to which subparagraph (A) applies, may be assessed by the Corporation against the institution to meet the Corporation's expenses in carrying out the examination.''.

(b) FEDERAL RESERVE BOARD EXAMINATION FEES.—The 2d sentence of the 8th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended—

(1) by striking ''may, in the discretion of the Board of Governors of the Federal Reserve System, be assessed'' and inserting ''shall be assessed''; and

(2) by striking ''and, when so assessed, shall be paid'' and inserting ''and shall be paid''.

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 10(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)(2)) is amended by inserting ''an examination is required under subsection (d)(1) or'' after ''whenever''.

Subchapter A—Federal Banking Agency

SEC. 7311. ESTABLISHMENT.

(a) IN GENERAL.—There is hereby established an agency to be known as the Federal Banking Agency (hereafter in this chapter referred to as the ''Agency'') as an independent establishment in the executive branch.

(b) INSURED DEPOSITORY INSTITUTION DEFINED.—For purposes of this chapter, the term ''insured depository institution'' has the meaning given to such term in section 3(c) of the Federal Deposit Insurance Act.

SEC. 7312. MANAGEMENT.

(a) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The Agency shall be under the management of a board of directors (hereafter in this chapter referred to as the ''Board'') composed of 7 members—

(A) 1 of whom shall be the Secretary of the Treasury;

(B) 1 of whom shall be the Chairman of the Board of Governors of the Federal Reserve System;

(C) 1 of whom shall be the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation; and

(D) 4 of whom shall be appointed by the President, by and with the advice and consent of the Senate.

(2) POLITICAL AFFILIATION.—Not more than 2 members of the Board appointed under paragraph (1)(D) may be members of the same political party.

(b) CHAIRPERSON AND VICE CHAIRPERSON.—

(1) CHAIRPERSON.—1 of the members of the Board appointed under subsection (a)(1)(D) shall be designated by the President, by and with the advice and consent of the Senate, to serve as Chairperson of the Board.

(2) VICE CHAIRPERSON.—1 of the members of the Board appointed under subsection (a)(1)(D) shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairperson of the Board.

(3) ACTING CHAIRPERSON.—In the event of a vacancy in the position of Chairperson of the Board, or during the absence or disability of the Chairperson, the Vice Chairperson shall act as Chairperson.

(c) TERMS.—

(1) 5-YEAR TERMS.—Except as provided in paragraph (4), each member appointed under subsection (a)(1)(D) shall be appointed for a term of 5 years.

(2) INTERIM APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the end of the term to which such member's predecessor was appointed shall be appointed only for the remainder of such term.

(3) CONTINUATION OF SERVICE.—Any member may continue to serve after the expiration of the term of office to which such member was appointed until a successor has been appointed and qualified.

(4) STAGGERED FOR 1ST APPOINTEES.—Of the members first appointed to the Board under subsection (a)(1)(D)—

(A) 1 shall be appointed for a term of 5 years;

(B) 1 shall be appointed for a term of 4 years;

(C) 1 shall be appointed for a term of 3 years; and

(D) 1 shall be appointed for a term of 2 years,

as designated by the President at the time of the appointment.

(d) VACANCY.—Any vacancy on the Board shall be filled in the manner in which the original appointment was made.

(e) INELIGIBILITY FOR OTHER OFFICES.—

(1) RESTRICTIONS ON EMPLOYMENT BY DEPOSITORY INSTITUTIONS.—No member of the Board may hold any office, position, or employment in any insured depository institution or any affiliate (as defined in section 2(k) of the Bank Holding Company Act of 1956) of an insured depository institution during—

(A) the time such member is in office; and

(B) the 2-year period beginning on the date such member ceases to serve on the Board.

(2) OTHER RESTRICTIONS DURING SERVICE AS MEMBER.—No member of the Board may—

(A) be an officer or director of any Federal reserve bank or Federal home loan bank; or

(B) hold any stock in any insured depository institution or any affiliate (as defined in section 2(k) of the Bank Holding Company Act of 1956) of an insured depository institution.

(3) CERTIFICATION.—Upon taking office, each member of the Board shall file a certification under oath with the secretary of the Board that such member has complied with the requirements of this subsection.

SEC. 7313. POWERS AND DUTIES.

(a) REGULATION OF NATIONAL BANKS.—

(1) TRANSFER TO AGENCY.—All functions of the Comptroller of the Currency are hereby transferred to the Agency.

(2) AGENCY POWERS.—The Agency shall have all powers, duties, and authority which, before the date of the enactment of this Act, were vested in the Comptroller of the Currency under the following provisions of law to the extent such provisions apply to

national banks or the office, officers, or employees of the Comptroller of the Currency:

(A) Chapter nine of title VII and title LXII of the Revised Statutes.

(B) The Bank Conservation Act.

(C) The Federal Deposit Insurance Act.

(D) The National Bank Receivership Act.

(E) The Act entitled ''An Act additional to the Act entitled 'An Act to provide a national currency secured by a pledge of United States bonds and to provide for the circulation and redemption thereof,' passed June third, eighteen hundred and sixty four.'' and approved March 29, 1886.

(F) The Act entitled ''An Act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes.'' and approved August 17, 1950.

(G) The National Bank Consolidation and Merger Act.

(H) The International Banking Act of 1978.

(I) The Farm Credit Act of 1971.

(J) Any title of the Consumer Credit Protection Act.

(K) The Bank Protection Act of 1968.

(L) The Home Mortgage Disclosure Act of 1975.

(M) The Community Reinvestment Act of 1977.

(N) The Depository Institution Management Interlocks Act.

(O) Sections 2, 4, 19(h), 22(g), 24(a), 24A, 25, 25A, and 29 of the Federal Reserve Act.

(P) The Bank Service Corporation Act.

(Q) The Federal Financial Institutions Examination Council Act of 1978.

(R) The Right to Financial Privacy Act of 1978.

(S) The Alternative Mortgage Transaction Parity Act of 1982.

(T) The International Lending Supervision Act of 1983.

(U) The Expedited Funds Availability Act.

(V) The Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(W) The Federal Deposit Insurance Corporation Improvement Act of 1991.

(X) The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

(Y) The Riegle Community Development and Regulatory Improvement Act of 1994.

(Z) The Truth in Savings Act.

(b) REGULATION OF MEMBER BANKS, BANK HOLDING COMPANIES AND AFFILIATES, AND VARIOUS INTERNATIONAL BANKING ENTITIES.—

(1) TRANSFER TO AGENCY.—All functions of the Board of Governors of the Federal Reserve System (and any Federal reserve bank) relating to—

(A) the supervision and regulation of banks which are members of the Federal Reserve System;

(B) the supervision and regulation of bank holding companies and any subsidiary or affiliate of a bank holding company which is not a depository institution;

(C) the supervision and regulation of companies operating under section 25 or 25A of the Federal Reserve Act or the International Banking Act of 1978;

(D) the supervision and regulation of any company which is subject to supervision and regulation by the Board of Governors under any title of the Consumer Protection Act; and

(E) the supervision and regulation of any foreign bank, any branch or agency of a foreign bank, and any commercial lending company controlled by a foreign bank,

are hereby transferred to the Agency.

(2) AGENCY POWERS.—The Agency shall have all powers, duties, and authority which, before the date of the enactment of this Act, were vested in the Board of Governors of the Federal Reserve System under the following provisions of law to the extent such provisions apply to banks or other companies described in any subparagraph of paragraph (1):

(A) Sections 6 (other than the 1st and 2d paragraphs), 9, 19(h), 22(g), 22(h), 23A, 23B, 24(a), 24A, 25, 25A, and 29 of the Federal Reserve Act.

(B) The Bank Holding Company Act of 1956.

(C) The Bank Holding Company Act Amendments of 1970.

(D) The International Banking Act of 1978.

(E) Sections 20, 31, and 32 of the National Banking Act of 1933.

(F) The Federal Deposit Insurance Act.

(G) Any title of the Consumer Credit Protection Act.

(H) The Bank Protection Act of 1968.

(I) The Home Mortgage Disclosure Act of 1975.

(J) The Community Reinvestment Act of 1977.

(K) The Depository Institution Management Interlocks Act.

(L) The Bank Service Corporation Act.

(M) The Federal Financial Institutions Examination Council Act of 1978.

(N) The Right to Financial Privacy Act of 1978.

(O) The Alternative Mortgage Transaction Parity Act of 1982.

(P) The International Lending Supervision Act of 1983.

(Q) The Expedited Funds Availability Act.

(R) The Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(S) The Federal Deposit Insurance Corporation Improvement Act of 1991.

(T) The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

(U) The Riegle Community Development and Regulatory Improvement Act of 1994.

(V) The Truth in Savings Act.

(c) REGULATION OF SAVINGS ASSOCIATIONS AND SAVINGS AND LOAN HOLDING COMPANIES.—

(1) TRANSFER TO AGENCY.—All functions of the Director of the Office of Thrift Supervision are hereby transferred to the Agency.

(2) AGENCY POWERS.—The Agency shall have all powers, duties, and authority which, before the date of the enactment of this Act, were vested in the Director of the Office of Thrift Supervision under the following provisions of law to the extent such provisions apply to savings associations, savings and loan holding companies, or the office, officers, or employees of the Director:

(A) The Home Owners' Loan Act.

(B) The Federal Deposit Insurance Act.

(C) Any title of the Consumer Credit Protection Act.

(D) The Bank Protection Act of 1968.

(E) The Home Mortgage Disclosure Act of 1975.

(F) The Community Reinvestment Act of 1977.

(G) The Depository Institution Management Interlocks Act.

(H) The Bank Service Corporation Act.

(I) The Federal Financial Institutions Examination Council Act of 1978.

(J) The Right to Financial Privacy Act of 1978.

(K) The Alternative Mortgage Transaction Parity Act of 1982.

(L) The Expedited Funds Availability Act.

(M) The Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(N) The Federal Deposit Insurance Corporation Improvement Act of 1991.

(O) The Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991.

(P) The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

(Q) The Riegle Community Development and Regulatory Improvement Act of 1994.

(R) The Truth in Savings Act.

(d) REGULATION OF STATE NONMEMBER BANKS.—

(1) TRANSFER TO AGENCY.—All functions of the Federal Deposit Insurance Corporation relating to the supervision and regulation of State nonmember banks, including savings banks, (other than insurance, conservatorship, or receivership functions) and foreign banks with insured branches (as defined in section 3(s)(3) of the Federal Deposit Insurance Act) are hereby transferred to the Agency.

(2) AGENCY POWERS.—The Agency shall have all powers, duties, and authority which, before the date of the enactment of this Act, were vested in the Federal Deposit Insurance Corporation or in the Board of Directors of such Corporation under the following provisions of law:

(A) Sections 7(a), 20, 21, 22, 27, 30(c), 32, 33, 34, 35, 36, 37, 38, 39, 42, and 44, subsections (b) through (n), (r), (s), (u), and (v) of section 8, subsections (b)(2)(A), (c), (d), and

(e) of section 10, subsections (c) (other than paragraph (1)), (d), (g), (i), (j), (l), (o), and (p) of section 18 of the Federal Deposit Insurance Act.

(B) Any title of the Consumer Credit Protection Act.

(C) The Depository Institution Management Interlocks Act.

(D) The Federal Financial Institutions Examination Council Act of 1978.

(E) The Home Mortgage Disclosure Act of 1975.

(F) The Right to Financial Privacy Act of 1978.

(G) The Alternative Mortgage Transaction Parity Act of 1982.

(H) The Bank Service Corporation Act.

(I) The Expedited Funds Availability Act.

(J) The Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(K) The Community Reinvestment Act of 1977.

(L) The Federal Deposit Insurance Corporation Improvement Act of 1991.

(M) The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

(N) The Riegle Community Development and Regulatory Improvement Act of 1994.

(O) The Truth in Savings Act.

(e) REGULATION OF CREDIT UNIONS.—

(1) TRANSFER TO AGENCY.—All functions of the National Credit Union Administration relating to the supervision and regulation of credit unions, including the National Credit Union Administration Central Liquidity Facility and the Community Development Credit Union Revolving Loan Fund, (other than insurance, conservatorship, or liquidating agency functions) are hereby transferred to the Agency.

(2) AGENCY POWERS.—The Agency shall have all powers, duties, and authority which, before the date of the enactment of this Act, were vested in the National Credit Union Administration or the National Credit Union Administration Board under the following provisions of law:

(A) The Federal Credit Union Act.

(B) The Community Development Credit Union Revolving Loan Fund Transfer Act.

(C) Any title of the Consumer Credit Protection Act.

(D) The Expedited Funds Availability Act.

(E) The Federal Financial Institutions Examination Council Act of 1978.

(F) The Right to Financial Privacy Act of 1978.

(G) The Truth in Savings Act.

(f) REGULATIONS AND ORDERS.—In addition to any authority under any Act referred to in subsection (a), (b), (c), (d), or (e), the Agency may prescribe such regulations and issue such orders as the Agency may determine to be appropriate to carry out the purposes of this chapter and the powers and duties of the Agency under this chapter and any Act referred to in any such subsection.

SEC. 7314. TECHNICAL AND CONFORMING AMENDMENTS RELATING TO TRANSFERS OF FUNCTIONS.

(a) APPROPRIATE FEDERAL BANKING AGENCY REDEFINED.—Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)) is amended to read as follows:

''(q) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate Federal banking agency' means the Federal Banking Agency.''.

(b) MEMBERS OF FDIC BOARD.—Section 2(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1812(a)(1)) is amended—

(1) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(2) in subparagraph (A) (as so redesignated by paragraph (1)), by striking ''Director of the Office of Thrift Supervision'' and inserting ''Chairperson of the Federal Banking Agency''; and

(3) in subparagraph (B) (as so redesignated by paragraph (1)), by striking ''3'' and inserting ''4''.

Subchapter B—Abolition of Federal Banking Agencies

SEC. 7321. OFFICE OF COMPTROLLER OF THE CURRENCY AND POSITION OF COMPTROLLER OF THE CURRENCY ABOLISHED.

(a) IN GENERAL.—Effective at the end of the 180-day period beginning on the date of the enactment of this Act, the Office of the Comptroller of the Currency and the position of Comptroller of the Currency are hereby abolished.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Chapter nine of title VII of the Revised Statutes is amended by striking sections 324, 325, and 326.

(2) Subchapter I of chapter 3 of title 31, United States Code, is amended by striking section 307.

SEC. 7322. OFFICE OF THRIFT SUPERVISION AND POSITION OF DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION ABOLISHED.

(a) IN GENERAL.—Effective at the end of the 180-day period beginning on the date of the enactment of this Act, the Office of Thrift Supervision and the position of Director of the Office of Thrift Supervision are hereby abolished.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 3 of the Home Owners' Loan Act (12 U.S.C. 1462a) is amended by striking subsections (a) and (b).

(2) Subchapter I of chapter 3 of title 31, United States Code, is amended by striking section 309.

SEC. 7323. SAVINGS PROVISIONS.

(a) SAVINGS PROVISIONS RELATING TO THE COMPTROLLER OF THE CURRENCY.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Section 7313(a)(1) shall not affect the validity of any right, duty, or obligation of the United States, the Comptroller of the Currency, the Office of the Comptroller of the Currency, or any other person, which—

(A) arises under or pursuant to any provision of law referred to in section 7313(a)(2); and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Comptroller of the Currency or the Office of the Comptroller of the Currency shall abate by reason of the enactment of this chapter, except that the Federal Banking Agency shall be substituted for the Comptroller or Office as a party to any such action or proceeding.

(b) SAVINGS PROVISIONS RELATING TO THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Section 7313(b)(1) shall not affect the validity of any right, duty, or obligation of the United States, the Board of Governors of

the Federal Reserve System, or any other person, which—

(A) arises under or pursuant to any provision of law referred to in section 7313(b)(2); and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Board of Governors of the Federal Reserve System with respect to any function transferred to the Federal Banking Agency shall abate by reason of the enactment of this chapter, except that the Federal Banking Agency shall be substituted for the Board of Governors as a party to any such action or proceeding.

(c) SAVINGS PROVISIONS RELATING TO THE DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Section 7313(c)(1) shall not affect the validity of any right, duty, or obligation of the United States, the Director of the Office of Thrift Supervision, the Office of Thrift Supervision, or any other person, which—

(A) arises under or pursuant to any provision of law referred to in section 7313(c)(2); and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Director of the Office of Thrift Supervision or the Office of Thrift Supervision shall abate by reason of the enactment of this chapter, except that the Federal Banking Agency shall be substituted for the Director or Office as a party to any such action or proceeding.

(d) SAVINGS PROVISIONS RELATING TO THE FEDERAL DEPOSIT INSURANCE CORPORATION.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Section 7313(d)(1) shall not affect the validity of any right, duty, or obligation of the United States, the Federal Deposit Insurance Corporation, the Board of Directors of such Corporation, or any other person, which—

(A) arises under or pursuant to any provision of law referred to in section 7313(d)(2); and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Federal Deposit Insurance Corporation or the Board of Directors of such Corporation with respect to any function transferred to the Federal Banking Agency shall abate by reason of the enactment of this chapter, except that the Federal Banking Agency may be substituted for the Corporation or Board of Directors, as the case may be, as a party to any such action or proceeding.

(e) SAVINGS PROVISIONS RELATING TO THE NATIONAL CREDIT UNION ADMINISTRATION.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Section 7313(e)(1) shall not affect the validity of any right, duty, or obligation of the United States, the National Credit Union Administration, the National Credit Union Administration Board, or any other person, which—

(A) arises under or pursuant to any provision of law referred to in section 7313(e)(2); and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the National Credit Union Administration or the National Credit Union Administration Board with respect to any function transferred to the Federal Banking Agency shall abate by reason of the enactment of this chapter, except that the Federal Banking Agency may be substituted for the Administration or the Board, as the case may be, as a party to any such action or proceeding.

(f) CONTINUATION OF ORDERS, RESOLUTIONS, DETERMINATIONS, AND REGULATIONS.—All orders, resolutions, determinations, and regulations, which—

(1) have been issued, made, prescribed, or allowed to become effective by the Director of the Office of Thrift Supervision, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, or the National Credit Union Administration (including orders, resolutions, determinations, and regulations which relate to the conduct of conservatorships, receiverships, or liquidating agents), or by a court of competent jurisdiction, in the performance of functions which are transferred by this chapter; and

(2) are in effect on the date this Act takes effect (or become effective after such date pursuant to the terms of the order, resolution, determination or regulation, as in effect on such date),

shall continue in effect according to the terms of such orders, resolutions, determinations, and regulations and shall be enforceable by or against the Federal Banking Agency until modified, terminated, set aside, or superseded in accordance with applicable law by the Agency, by any court of competent jurisdiction, or by operation of law.

SEC. 7324. REFERENCES IN FEDERAL LAW TO FEDERAL BANKING AGENCIES.

(a) COMPTROLLER OF THE CURRENCY AND DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION.—Any reference in any Federal law to the Comptroller of the Currency, the Office of the Comptroller of the Currency, the Director of the Office of Thrift Supervision, or the Office of Thrift Supervision shall be deemed to be a reference to the Federal Banking Agency.

(b) BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—Any reference in any Federal law to the Board of Governors of the Federal Reserve System in connection with any function of the Board under any

provision of law referred to in section 7313(b)(2) shall be deemed to be a reference to the Federal Banking Agency.

(c) FEDERAL DEPOSIT INSURANCE CORPORATION.—Any reference in any Federal law to the Federal Deposit Insurance Corporation or the Board of Directors of such Corporation in connection with any function of the Corporation or Board of Directors under any provision of law referred to in section 7313(d)(2) shall be deemed to be a reference to the Federal Banking Agency.

(d) NATIONAL CREDIT UNION ADMINISTRATION.—Any reference in any Federal law to the National Credit Union Administration or the National Credit Union Administration Board in connection with any function of the Administration or Board under any provision of law referred to in section 7313(e)(2) shall be deemed to be a reference to the Federal Banking Agency.

Subchapter C—Section 235 Mortgage Refinancing

SEC. 7325. SECTION 235 MORTGAGE REFINANCING.

Section 235(r) of the National Housing Act (12 U.S.C. 1715z(r)) is amended—

(1) in paragraph (2)(C), by inserting after ''refinanced'' the following: '', plus the costs incurred in connection with the refinancing as described in paragraph (4)(B) to the extent that the amount for those

costs is not otherwise included in the interest rate as permitted by subparagraph (E) or paid by the Secretary as authorized by paragraph (4)(B)'';

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by inserting after ''otherwise)'' the following: ''and the mortgagee (with respect to the amount described in subparagraph (A))''; and

(B) in subparagraph (A), by inserting after ''mortgagor'' the following: ''and the mortgagee''; and

(3) by amending paragraph (5) to read as follows:

''(5) The Secretary shall use amounts of budget authority recaptured from assistance payments contracts relating to mortgages that are being refinanced for assistance payments contracts with respect to mortgages insured under this subsection. The Secretary may also make such recaptured amounts available for incentives under paragraph (4)(A) and the costs incurred in connection with the refinancing under paragraph (4)(B). For purposes of subsection (c)(3)(A), the amount of recaptured budget authority that the Secretary commits for assistance payments contracts relating to mortgages insured

under this subsection and for amounts paid under paragraph (4) shall not be construed as unused.''.

SEC. 7326. PENALTY FOR EARLY REDEMPTION OF SAVINGS BONDS.

(a) IN GENERAL.—Subsection (b) of section 3105 of title 31, United States Code, is amended by adding at the end the following new paragraph:

''(3) In the case of any savings bond which is redeemed within the 5-year period beginning on the date the bond is issued, the redemption price paid on the redemption shall be determined by reducing the holding period otherwise taken into account by 6 months.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to bonds issued after September 30, 1995.

SEC. 7327. ONE DOLLAR COINS.

(a) COLOR AND CONTENT.—Section 5112(b) of title 31, United States Code, is amended—

(1) in the 1st sentence, by striking ''dollar,''; and

(2) by inserting after the 4th sentence, the following new sentence: ''The dollar coin shall be golden in color, have an unreeded edge, have tactile and visual features that make the denomination of the

coin readily discernible, be minted and fabricated in the United States, and have similar metallic, anticounterfeiting properties as United States clad coinage in circulation on the date of the enactment of the United States One Dollar Coin Act of 1995.''.

(b) AMERICAN VETERAN DOLLAR COIN.—Section 5112(d)(1) of title 31, United States Code, is amended by striking the 5th and 6th sentences and inserting the following new sentences: ''The reverse side of the dollar shall have a design recognizing America's veterans. The Secretary of the Treasury shall select an appropriate design for the obverse side of the dollar.''.

(c) EFFECTIVE DATE.—Not later than 18 months after the date of enactment of this Act, the Secretary of the Treasury shall place into circulation 1 dollar coins authorized under subsection (a)(1) of section 5112 of title 31, United States Code, which comply with the design requirements of subsections (b) and (d)(1) of such section, as amended by subsections (a) and (b) of this section. The Secretary may include such coins in any numismatic set produced by the United States Mint before the date the coins are placed in circulation.

SEC. 7328. CEASING ISSUANCE OF ONE DOLLAR NOTES.

(a) IN GENERAL.—After the date that coins described in section 2012(c) are first placed in circulation,

no Federal reserve bank may order or place into circulation any $1 Federal Reserve note.

(b) EXCEPTION.—The Secretary of the Treasury shall produce only such Federal Reserve notes of 1 dollar denomination as are required from time to time to meet the needs of collectors of this series. Such notes shall be produced in sheets and sold by the Secretary, in whole, or in part, at a price that exceeds the face value of the currency by an amount that, at a minimum, reimburses the Secretary for the cost of production.

Subtitle E—Specific Commerce and Housing Program Reforms

SEC. 7401. OBLIGATION LIMITATION FOR MINORITY BUSINESS DEVELOPMENT AGENCY.

The total of obligations incurred in fiscal year 1996 for expenses of the Minority Business Development Agency described under the heading ''Minority Business Development'' in title II of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1995 (Public Law 103–317; 108 Stat. 1745–1746) may not exceed $44,733,000.

SEC. 7402. UNITED STATES TRAVEL AND TOURISM ADMINISTRATION.

Title III of the International Travel Act of 1961 is repealed, the United States Travel and Tourism Adminis-

tration established under section 301 of such Act is terminated, the Tourism Policy Council established under section 302 of such Act is terminated, the Travel and Tourism Advisory Board established under section 303 of such Act is terminated, the officers and employees of the Administration, Council, and Board are terminated, and the functions of the Administration, Council, and Board are transferred to the Secretary of Transportation.

SEC. 7403. EXPORT ADMINISTRATION.

Not more than $247,000,000 may be made available to carry out the Export Administration Act of 1979 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 7404. ASSISTANCE FOR PUBLIC TELECOMMUNICATIONS FACILITIES AND TELECOMMUNICATIONS DEMONSTRATIONS.

(a) REPEAL OF PUBLIC TELECOMMUNICATIONS FACILITIES PROGRAM.—Subpart A of part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.) is repealed.

(b) REPEAL OF TELECOMMUNICATIONS DEMONSTRATION GRANT PROGRAM.—Section 395 of such Act (47 U.S.C. 395) is repealed.

SEC. 7405. ABOLISHMENT OF ADVANCED TECHNOLOGY PROGRAM.

(a) ABOLISHMENT OF PROGRAM.—Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n) is repealed.

(b) CONFORMING AMENDMENTS.—The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended—

(1) in section 2(d), by striking ''sections 25, 26, and 28'' and inserting ''sections 25 and 26''; and

(2) in section 10(h)(1), by striking '', including the Program established under section 28,''.

SEC. 7406. FEES FOR FEDERAL AND FEDERALLY SPONSORED ENTERPRISES.

(a) FEES FOR GOVERNMENT SPONSORED ENTERPRISES.—

(1) IN GENERAL.—To compensate the Federal Government for borrowing and financial advantages derived from the relationship of government-sponsored enterprises to the Federal Government and treatment of such enterprises under Federal law, the Secretary of the Treasury shall collect a fee from each Government-sponsored enterprise for each fiscal year. The Secretary of the Treasury shall deposit any such fee collected in the general fund of the Treasury of the United States.

(2) AMOUNT.—The fee under this subsection for a government-sponsored enterprise for a fiscal year shall be the following amount:

(A) FANNIE MAE AND FREDDIE MAC.—For the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation—

(i) for fiscal year 1996, an amount equal to 0.05 percent of the aggregate original principal balance of mortgage-backed securities and substantially equivalent instruments issued or guaranteed by such enterprise during such year;

(ii) for fiscal year 1997, an amount equal to 0.10 percent of the aggregate original principal balance of mortgage-backed securities and substantially equivalent instruments issued or guaranteed by such enterprise during such year; and

(iii) for fiscal year 1998 and each fiscal year thereafter, an amount equal to 0.15 percent of the aggregate original principal balance of mortgage-backed securities and substantially equivalent instruments

issued or guaranteed by such enterprise during such year.

(B) SALLIE MAE.—For the Student Loan Marketing Association—

(i) for fiscal year 1996, an amount equal to 0.10 percent of the aggregate original principal balance of debt securities issued by such enterprise during such year;

(ii) for fiscal year 1997, an amount equal to 0.20 percent of the aggregate original principal balance of debt securities issued by such enterprise during such year; and

(iii) for fiscal year 1998, an amount equal to 0.30 percent of the aggregate original principal balance of debt securities issued by such enterprise during such year.

(C) CONNIE LEE.—For the College Construction Loan Insurance Association—

(i) for fiscal year 1996, an amount equal to 0.10 percent of the aggregate original principal balance of bonds insured or reinsured by such enterprise during such year;

(ii) for fiscal year 1997, an amount equal to 0.20 percent of the aggregate original principal balance of bonds insured or reinsured by such enterprise during such year; and

(iii) for fiscal year 1998, an amount equal to 0.30 percent of the aggregate original principal balance of bonds insured or reinsured by such enterprise during such year.

(3) CALCULATION.—The Secretary of the Treasury shall caclulate the amount of the fee under this subsection for each fiscal year following the conclusion of such fiscal year and shall consult with the Director of the Office of Federal Housing Enterprise Oversight in determining the amount of the fees under paragraph (2)(A).

(4) DEFINITION.—For purposes of this subsection, the term ''government sponsored enterprise'' means—

(A) the College Construction Loan Insurance Association;

(B) the Federal Home Loan Mortgage Corporation;

(C) the Federal National Mortgage Association; and

(D) the Student Loan Marketing Association.

(b) GOVERNMENT NATIONAL MORTGAGE ASSOCIATION GUARANTEE FEES.—Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding at the end the following new subparagraph:

''(F) Notwithstanding any other provision of this paragraph, the fee charged by the Association for any guarantee of the timely payment of principal or interest on any security or note based on or backed by mortgages shall be—

''(i) 10 basis points for any guarantee made during fiscal year 1997; and

''(ii) 15 basis points for any guarantee made after fiscal year 1997.''.

(c) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—The first sentence of section 304(f) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(f)) is amended by inserting ''and section 7496(a) of the Restructuring a Limited Government Act,'' after ''this Act''.

(2) FREDDIE MAC.—Section 306(i) of the Federal Home Loan Mortgage Corporation Act (12

U.S.C. 1455(i)) is amended by striking ''sections 303(c) and 1316(c) of this Act'' and inserting ''subsection (c) of this section, section 303(c) of this Act, and section 7406(a) of the Restructuring a Limited Government Act, and''

SEC. 7407. EXTENSION OF SPECTRUM AUCTION AUTHORITY OF THE FEDERAL COMMUNICATIONS COMMISSION.

Section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by striking ''September 30, 1998'' and inserting ''September 30, 2000''.

SEC. 7408. BUREAU OF CENSUS.

Amounts made available for salaries and expenses for the Bureau of the Census for fiscal years 1996 through 2000 may not exceed $128,286,000 for each of such fiscal years. For the purposes of this section, the term ''salaries and expenses'' means the salaries and expenses for which amounts were appropriated for fiscal year 1995 under the appropriations account numbered 13–0401–0–1–376 and identified as available budget authority under item 43.00.

SEC. 7409. COPYRIGHT OFFICE.

Amounts made available for salaries and expenses for the Copyright Office of the Library of Congress for fiscal years 1996 through 2000 may not exceed $9,446,000 for each of such fiscal years. For the purposes of this section,

the term ''salaries and expenses'' means the salaries and expenses for which amounts were appropriated for fiscal year 1995 under the appropriations account numbered 03–0102–0–1–376 and identified as available budget authority under item 43.00.

TITLE VIII—TRANSPORTATION

Subtitle A—Air Transportation Program Reform

SEC. 8001. AIR TRAFFIC CONTROL CORPORATION.

(a) SHORT TITLE.—This section may be cited as the ''Air Traffic Control Service Privatization and Improvement Act of 1995''.

(b) ESTABLISHMENT OF CORPORATION.—

(1) IN GENERAL.—There is established a nonprofit corporation, to be known as the Airways Corporation, which—

(A) shall operate the air traffic control system of the United States after the completion of transfers of air traffic control facilities, personnel, and equipment under subsection (j);

(B) except as provided in paragraph (2), shall not be an agency or establishment of the United States Government;

(C) shall have its principal office in the District of Columbia and is deemed to be a resident thereof; and

(D) to the extent consistent with this Act, shall be subject to the District of Columbia Business Corporation Act (D.C. Code, Section 29–301 et seq.).

(2) WAR OR NATIONAL EMERGENCY.—

(A) TRANSFER OF FUNCTIONS.—In the event of a declared war or national emergency, the President may by Executive order temporarily transfer any functions, personnel, property, records, funds, and other matters relating to the Airways Corporation to the Department of Defense.

(B) DEVELOPMENT OF PLANS.—The board of directors of the Airways Corporation, in consultation with the Secretary of Defense, shall develop plans for the effective discharge of the functions of the Corporation in the event of a declared war or national emergency.

(c) INCORPORATION.—

(1) APPOINTMENT OF INCORPORATORS.—The President shall appoint 5 incorporators, by and with the advice and consent of the Senate, who shall

serve as the initial board of directors of the Airways Corporation until the first annual meeting of stockholders, or until a board of directors is elected in accordance with subsection (e), whichever is later.

(2) FUNCTIONS OF INCORPORATORS.—The incorporators appointed under this subsection shall—

(A) subject to approval by the President, draft and file articles of incorporation for the Airways Corporation, draft the initial bylaws of the Corporation, and take any other actions necessary to the establishment and initial operation of the Corporation;

(B) arrange for an initial stock offering in accordance with subsection (d);

(C) establish initial criteria for determining what is a business aircraft for purposes of subsection (d)(1)(C); and

(D) determine limits for liability insurance appropriate for the Corporation to maintain in order to cover its liability for actions or inactions taken by or on behalf of the Corporation and acquire such insurance from nongovernmental sources.

(3) ARTICLES OF INCORPORATION.—The articles of incorporation filed by the incorporators in accordance with paragraph (2)—

(A) shall provide for cumulative voting under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, Section 29–327(d)); and

(B) may be amended, altered, changed, or repealed by a vote of not less than 66⅔ percent of the outstanding shares of the voting capital stock of the Corporation.

(d) ISSUANCE OF STOCK.—

(1) IN GENERAL.—The Airways Corporation may issue and have outstanding, in such numbers and amounts as it shall determine, shares of capital stock consisting of 6 classes as follows:

(A) A class of shares to be known as Class A, consisting of not more than 40 percent of all shares of common stock issued by the Corporation, which may only be purchased by air carriers.

(B) A class of shares to be known as Class B, consisting of not more than 20 percent of all shares of common stock issued by the Corporation, which may only be purchased by persons

who are private pilots but are not employed by air carriers as pilots.

(C) A class of shares to be known as Class C, consisting of not more than 10 percent of all shares of common stock issued by the Corporation, which may only be purchased by persons who are not air carriers and who own one or more business aircraft.

(D) A class of shares to be known as Class D, consisting of not more than 7½ percent of all shares of common stock issued by the Corporation, which may only be purchased by persons who are employed by an air carrier as pilots.

(E) A class of shares to be known as Class E, consisting of not more than 7½ percent of all shares of common stock issued by the Corporation, which may only be purchased by employees of the Corporation.

(F) A class of shares to be known as Class F, consisting of 7½ percent of all shares of common stock issued by the Corporation, which shall be issued to the Secretary of Transportation on behalf of the United States.

(G) A class of shares to be known as Class G, consisting of 7½ percent of all shares of common stock issued by the Corporation, which shall be issued to the Secretary of Defense on behalf of the United States.

(2) PRICE OF FIRST ISSUE.—The shares of common stock first issued by the Airways Corporation (other than those shares issued under paragraphs (1)(F) and (1)(G)) shall be sold at a price equal to not more than $100 for each share.

(3) VOTING RIGHTS.—

(A) IN GENERAL.—Each share of common stock in the Airways Corporation—

(i) shall be vested with all voting rights; and

(ii) shall be entitled to one vote.

(B) ASSIGNMENT.—A person owning one or more shares of Class A, B, C, D, or E stock may assign the right to vote all or part of their shares to any person eligible to own shares of that class of stock.

(4) INSPECTION AND COPYING RIGHTS.—Notwithstanding section 45(b) of the District of Columbia Business Corporation Act (D.C. Code, Section 29–345(b)), a stockholder of the Airways Corpora-

tion shall have the right to inspect and copy records of the Corporation pursuant to such section without regard to the percentage of the Corporation's stock the stockholder holds.

(e) DIRECTORS AND OFFICERS.—

(1) BOARD OF DIRECTORS.—

(A) ELECTION.—The Airways Corporation shall have a board of directors consisting of 15 individuals who are citizens of the United States, elected annually as follows:

(i) 6 members elected by shareholders owning one or more shares of Class A stock.

(ii) 3 members elected by shareholders owning one or more shares of Class B stock.

(iii) 2 members elected by shareholders owning one or more shares of Class C stock.

(iv) 1 member elected by shareholders owning one or more shares of Class D stock.

(v) 1 member elected by shareholders owning one or more shares of Class E stock.

(vi) 1 member appointed by the Secretary of Transportation.

(vii) 1 member appointed by the Secretary of Defense.

(B) CHAIRMAN.—The board of directors shall elect one of its members annually to serve as chairman of the board of directors.

(C) COMPENSATION AND EXPENSES.—Members of the board of directors may receive compensation in accordance with rules established by the board of directors.

(2) PRESIDENT OF CORPORATION AND APPOINTMENT OF OTHER OFFICERS.—

(A) APPOINTMENT.—The Airways Corporation shall have a president and such other officers as may be appointed by the board of directors from among persons who are citizens of the United States. Persons appointed under this subparagraph shall serve at the pleasure of the board of directors.

(B) COMPENSATION.—Individuals appointed under subparagraph (B) shall be compensated at rates fixed by the board of directors.

(C) DISCLOSURE OF RECEIPT OF OTHER COMPENSATION.—An officer of the Airways Corporation shall disclose to the entire board of directors salary from any source other than the Corporation during the period of the officer's employment by the Corporation.

(e) POWERS.—

(1) IN GENERAL.—The Airways Corporation may—

(A) plan, initiate, construct, own, manage, and operate, by itself or in cooperation with other entities, an air traffic control system;

(B) furnish, for hire, air traffic control services to air transportation common carriers and other operators of civil and military aircraft;

(C) enter into contracts under which other entities may operate individual air traffic control facilities and provide services on behalf of the Corporation;

(D) acquire, by construction, purchase, or gift, physical facilities, equipment, and devices necessary to the operations of the Corporation, including air traffic control and associated equipment and facilities;

(E) issue voting securities in accordance with subsection (d);

(F) issue nonvoting securities, bonds, debentures, and other certificates of indebtedness as may be appropriate; and

(G) conduct or contract for the conduct of research and development related to the operations of the Corporation and establish technical specifications of all elements of the air traffic control system.

(2) USUAL POWERS.—To conduct activities authorized by paragraph (1), the Airways Corporation shall have the usual powers conferred upon a corporation by the District of Columbia Business Corporation Act (D.C. Code, Section 29–301 et seq.).

(f) FEES.—

(1) IN GENERAL.—The Airways Corporation may establish reasonable nondiscriminatory fees for the provision of air traffic control services and charge such fees to air carriers and other business users of such services. During the 10-year period beginning on the date of the enactment of this Act, the Corporation may not charge such fees to nonbusiness users of such services.

(2) REVIEW OF FEES.—The Secretary of Transportation shall issue regulations not later than 180 days after the date of the enactment of this Act for the review and appeal of fees established by the Airways Corporation under paragraph (1).

(g) FOREIGN BUSINESS NEGOTIATIONS.—

(1) NEGOTIATIONS OF CORPORATION.—Whenever the Airways Corporation enters into negotiations with any foreign entity with respect to facilities, operations, and services authorized by this section to be conducted by the Corporation—

(A) the Corporation shall notify the Secretary of State and the Secretary of Transportation regarding the initiation, conduct, and foreign policy implications of such negotiations; and

(B) the Secretary of State shall advise the Corporation of relevant foreign policy considerations and, upon request of the Corporation, shall render such assistance as may be appropriate.

(2) NEGOTIATIONS OF SECRETARY OF STATE.—The Secretary of State shall consult with the Airways Corporation with respect to all negotiations

conducted by the Secretary regarding matters which relate to air traffic control.

(h) SANCTIONS.—

(1) PETITION FOR RELIEF.—Except as otherwise prohibited by law—

(A) if the Airways Corporation engages in any activity, or takes any action in furtherance of any policy, which is inconsistent with the policy and purposes of this section; or

(B) if any other person—

(i) violates any provision of this section;

(ii) obstructs or interferes with any activity authorized by this section;

(iii) refuses, fails, or neglects to discharge any duty or responsibility under this section; or

(iv) threatens any such violation, obstruction, interference, refusal, failure, or neglect;

the district court of the United States for any district in which such Corporation or other person resides or may be found shall have jurisdiction, upon petition of the Attorney General of the United States, to grant such equitable relief as may be nec-

essary or appropriate to prevent or terminate such activity.

(2) PUNISHMENT, LIABILITY, OR SANCTION UNDER OTHER PROVISIONS.—Nothing contained in this subsection shall be considered to relieve any person of any liability, punishment, or sanction under any other law.

(i) REPORTS.—

(1) CORPORATION.—During the 5-year period beginning on the date of the enactment of this Act, the Airways Corporation shall transmit to the President and Congress, annually and at such other times as it considers appropriate, a comprehensive and detailed report of its operations, activities, and accomplishments under this section.

(2) ADMINISTRATOR.—During the 5-year period beginning on the date of the enactment of this Act, the Administrator shall transmit to Congress, annually and at such other times as the Administrator considers appropriate, an evaluation of the capital structure of the Airways Corporation so as to assure Congress that such structure is consistent with the most efficient and economical operation of the Corporation.

(j) TRANSFER OF FACILITIES, PERSONNEL, AND EQUIPMENT OF CIVIL AIR TRAFFIC CONTROL SYSTEM.—

(1) IN GENERAL.—Not later than 180 days after the date the Senate approves the appointments of the President under subsection (c)(1), the Secretary of Transportation shall take such action as may be necessary—

(A) to transfer to the Airways Corporation all right, title, and interest of the United States in, and all control of the United States over, all facilities and equipment under the jurisdiction of the United States on the date of the enactment of this Act, which are part of the air traffic control system, including the air route traffic centers, terminal radar control centers, VHF omnidirectional radio stations, long-range and terminal radar systems, flight service stations, and related facilities and equipment;

(B) to transfer all right of the United States in airport control towers, landing aids, and landing slots to owners of the airport where such towers and aids are located and to which such landing slots relates;

(C) to transfer to the Airways Corporation all personnel who are employed in operating,

maintaining, or managing the air traffic control system on the date of the enactment of this Act; and

(D) except as provided in paragraph (2), to terminate the civil service status of air traffic control personnel.

(2) RETIREMENT BENEFITS.—

(A) IN GENERAL.—Any Federal employee who is transferred to the Airways Corporation under this section and who, on the day before the date of such transfer, is subject to chapter 83 or 84 of title 5, United States Code, shall, so long as that individual remains continuously employed by the Airways Corporation, remain subject to such chapter.

(B) SERVICE TO BE TREATED AS ''GOVERNMENT EMPLOYMENT''.—Any continuous employment described in subparagraph (A) shall be considered to be employment by the Government of the United States for purposes of such chapter 83 or 84, as applicable.

(C) CONTRIBUTIONS.—The Airways Corporation shall be considered, for those individuals to whom this paragraph applies, the employing agency for purposes of such chapter 83

or 84, as applicable, and shall be responsible for making all appropriate employer contributions thereunder (which, in the case of employer contributions to the Civil Service Retirement and Disability Fund, shall be as determined by the Office of Personnel Management).

(k) LIMITATIONS ON FUNDING.—

(1) NO APPROPRIATED FUNDS.—The Airways Corporation shall not receive any funds from the Federal Government beyond fees paid for use of the air traffic control system by the Federal Government.

(2) NO BORROWING FROM TREASURY.—The Airways Corporation may not borrow money from the Treasury of the United States or receive federally guaranteed loans.

(l) LIABILITY OF CORPORATION.—Notwithstanding any other provision of law, the Airways Corporation is immune from all tort liability with respect to the provision of air traffic control services which is not based on fault.

(m) NONLIABILITY OF AIR TRAFFIC CONTROLLERS.—A person employed by the Airways Corporation as an air traffic controller may not be held personally liable by any Federal or State court for negligent actions or inactions (other than actions or inactions that constitute

gross negligence or that demonstrate a greater disregard of a duty of care than gross negligence, including intentional tortious conduct) of such person in carrying out any duty of such person for the Corporation. The Corporation may be held liable for such actions or inactions.

(n) REDUCTION IN TAX ON TRANSPORTATION OF PERSONS BY AIR.—

(1) IN GENERAL.—Subsections (a) and (b) of section 4261 of the Internal Revenue Code of 1986 (relating to transportation of persons by air) are each amended by striking ''10 percent'' and inserting ''3.5 percent''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to transportation beginning after the 30th day following the date of the enactment of this Act but shall not apply to amounts paid on or before such 30th day.

(o) DEFINITIONS.—As used in this section—

(1) the terms ''airport'' and ''public-use airport'' have the meaning such terms have under section 47102 of title 49, United States Code;

(2) the terms ''air carrier'', ''aircraft'', ''air transportation'', ''civil aircraft'', ''citizen of the United States'', ''person'', and ''United States'' have

the meaning such terms have under section 40102 of title 49, United States Code;

(3) the term ''Administration'' means the Federal Aviation Administration; and

(4) the term ''Administrator'' means the Administrator of the Federal Aviation Administration.

(p) CONFORMING AMENDMENTS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall submit to Congress such conforming amendments to the laws of the United States as the Secretary of Transportation determines are necessary to implement this section.

SEC. 8002. OBLIGATION LIMITATION FOR AIRPORT IMPROVEMENT PROGRAM.

Section 47104 of title 49, United States Code, is amended be adding at the end the following:

''(d) OBLIGATION LIMITATION.—Notwithstanding any other provision of law, the Secretary may not incur obligations under subsection (b) of this section in any of fiscal years 1996 through 2000 which exceed 75 percent of the obligations incurred under subsection (b) in fiscal year 1995.''.

SEC. 8003. TERMINATION OF ESSENTIAL AIR SERVICE PROGRAM.

Sections 41737(d)(2) and 41742 of title 49, United States Code, are each amended by striking ''1998'' and inserting ''1995''.

SEC. 8004. OBLIGATION LIMITATION FOR FAA OPERATIONS.

The total of obligations incurred in each of fiscal years 1996, 1997, 1998, 1999, and 2000 for expenses of the Federal Aviation Administration described under the heading ''Operations'' in title I of the Department of Transportation and Related Agencies Appropriations Act, 1995 (Public Law 103–331; 108 Stat. 2474–2475) may not exceed $4,581,000 per fiscal year.

SEC. 8005. REPEAL OF AUTHORIZATIONS FOR THE AIRWAY SCIENCE PROGRAM, COLLEGIATE TRAINING INITIATIVE, AND AIR CARRIER MAINTENANCE TECHNICIAN TRAINING FACILITY GRANT PROGRAM.

(a) AIRWAY SCIENCE PROGRAM.—All authority for—

(1) the Secretary of Transportation to enter into grant agreements with universities or colleges having an airway science curriculum recognized by the Federal Aviation Administration, to conduct demonstration projects in the development, advancement, or expansion of airway science programs; and

(2) the Federal Aviation Administration to enter into competitive grant agreements with institutions of higher education having airway science curricula, and all authorizations to appropriate for such purposes, as enacted under the head, ''Federal Aviation Administration, Facilities and Equipment'', in the Department of Transportation and Related Agencies Appropriations Acts for fiscal years ending before October 1, 1993;

is repealed.

(b) COLLEGIATE TRAINING INITIATIVE.—Section 362 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (Public Law 102–388), is repealed, except that the Administrator of the Federal Aviation Administration may continue to convert appointment of persons who have been appointed pursuant to such section prior to the effective date of this Act from the excepted service to a career conditional or career appointment in the competitive civil service, pursuant to subsection (c) of such section.

(c) AIR CARRIER MAINTENANCE TECHNICIAN TRAINING FACILITY GRANT PROGRAM.—Section 119 of Public Law 102–581 (49 U.S.C. App. 1354 note) is repealed.

SEC. 8006. FEES FOR USE OF SLOTS AT HIGH DENSITY AIRPORTS.

Section 41714 of title 49, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following:

''(h) FEES.—Not later than September 1, 1995, the Secretary shall establish fees for the use of slots at high density airports in an amount sufficient to result in the collection of $300,000,000 per fiscal year for each fiscal year beginning after September 30, 1995. The Secretary shall collect such fees in fiscal year 1996 and each fiscal year thereafter and shall deposit the amounts collected in the general fund of the Treasury.''.

Subtitle B—Highway Transportation Program Reform

SEC. 8101. TERMINATION OF INTERSTATE COMMERCE COMMISSION.

(a) IN GENERAL.—There are transferred to the Secretary, effective January 1, 1994, all functions of the Commission.

(b) AUTHORITY OF OFFICE OF MANAGEMENT AND BUDGET.—The Director of the Office of Management and Budget, in consultation with the Commission and the Sec-

retary, may make such determinations as may be necessary with regard to the functions transferred by this section, and to make such additional incidental dispositions of assets, liabilities, contracts, property, and records, as may be necessary to carry out the provisions of this section. The unobligated funds of the Commission shall not be transferred to the Department of Transportation in order to carry out the transfer of functions under this section, and the number of fulltime employee positions within the Department of Transportation shall not be increased as a result of such transfer of functions.

(c) JOINT PLANNING FOR TRANSFER.—The Chairman of the Commission and the Secretary shall, beginning as soon as practicable after the date of enactment of this section, jointly plan for the orderly transfer of functions under this section.

(d) INTERIM USE OF INTERSTATE COMMERCE COMMISSION PERSONNEL.—Prior to January 1, 1994, and with the consent of the Commission, the Secretary may use the services of officers, employees, and other personnel of the Commission under such terms and conditions as will reasonably facilitate the orderly transfer of functions under this section.

(e) SAVINGS PROVISIONS.—

(1) IN GENERAL.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(A) which have been issued, made, granted, or allowed to become effective by any agency or official thereof, or by a court of competent jurisdiction, in the performance of any function which is transferred by this section to the Secretary from the Commission; and

(B) which are in effect immediately before the transfer of functions by this section,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Secretary or any other duly authorized official, by any court of competent jurisdiction, or by operation of law.

(2) CONTINUATION OF PROCEEDINGS.—The transfer of functions by this section shall not affect any proceedings, including rulemaking proceedings, or any application for any license, permit, or certificate, pending before the Commission immediately before the transfer takes effect. Such proceedings and applications shall be continued at the Department of Transportation. Orders shall be issued in such proceedings, and appeals shall be taken there-

from, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary of Transportation, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) EFFECT ON PENDING CIVIL ACTIONS.—Except as provided in paragraph (5)—

(A) the transfer of any function under this section shall not affect any civil action relating to such function which is commenced prior to the date the transfer takes effect; and

(B) in all such actions, proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted.

(4) NONABATEMENT OF ACTIONS.—No action or other proceeding commenced by or against any officer in that officer's official capacity as an officer of the Commission shall abate by reason of the

transfer of any function under this section. No cause of action by or against the Commission, or by or against any officer thereof in that officer's official capacity, shall abate by reason of the transfer of any function under this section.

(5) JUDICIAL ADMINISTRATIVE PROVISION.—If immediately before the transfer of functions by this section the Commission or any officer thereof in that officer's official capacity is a party to an action relating to a function transfer by this section, then such action shall be continued with the Secretary or other appropriate official of the Department of Transportation substituted or added as a party.

(6) REFERENCES.—With respect to any function transferred by this section and performed on or after the effective date of the transfer, reference in any Federal law to the Interstate Commerce Commission or the Commission (insofar as such term refers to the Interstate Commerce Commission), or to any officer or office thereof, shall be deemed to refer to the Department of Transportation, or other official or component of the Department of Transportation in which such function vests.

(7) EXERCISE OF FUNCTIONS BY SECRETARY.—In the exercise of any function trans-

ferred by this section, the Secretary shall have the same authority as that vested in the Commission with respect to such function immediately preceding its transfer, and actions of the Secretary shall have the same force and effect as when exercised by the Commission. Orders and actions of the Secretary in the exercise of the functions transferred under this section shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Commission in the exercise of such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, actions upon the record, or administrative review that apply to any functions transferred by this section shall apply to the exercise of such functions by the Secretary.

(f) REPORTS.—No later than July 1, 1994, the Secretary shall submit to the appropriate committees of Congress a report on the functions transferred from the Commission to the Department of Transportation under this section. The report shall include—

(1) an assessment of benefits compared to costs associated with each of these functions, both with respect to persons affected directly and to the public generally;

(2) recommendations for the elimination of functions identified as redundant, or substantially the same as functions or services which are performed by the Department of Transportation or other public or private organizations prior to the transfer of functions under this section; and

(3) recommendations to modify or eliminate those functions that do not provide substantial economic or safety benefits to the general public.

(g) CONFORMING AMENDMENTS.—

(1) EXECUTIVE LEVEL PAY RATES.—

(A) Section 5314 of title 5, United States Code, is amended by striking ''Chairman, Interstate Commerce Commission.''.

(B) Section 5315 of title 5, United States Code, is amended by striking ''Members, Interstate Commerce Commission.''.

(2) TERMINATION OF COMMISSION.—Sections 10301 through 10308 of title 49, United States Code, are repealed.

(3) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1994.

(h) DEFINITIONS.—In this section—

(1) the term ''Commission'' means the Interstate Commerce Commission;

(2) the term ''function'' means a function, power, or duty; and

(3) the term ''Secretary'' means the Secretary of Transportation.

(i) RESCISSION AND TRANSFER OF FUNDS.—Of the funds made available under the heading ''Interstate Commerce Commission—Salaries and Expenses'' in the Department of Transportation and Related Agencies Appropriations Act, 1994 (Public Law 103–122)—

(1) $18,000,000 is rescinded; and

(2) $15,000,000 shall be transferred to and merged with the appropriation in such Act for ''DEPARTMENT OF TRANSPORTATION—OFFICE OF THE SECRETARY—Immediate Office of the Secretary''.

SEC. 8102. CUSTOMS TONNAGE FEES.

(a) INCREASE IN FEES.—Section 36 of the Act of August 5, 1909 (46 App. 121, 36 Stat. 111), is amended—

(1) by striking ''9 cents per ton, not to exceed in the aggregate 45 cents per ton in any one year, for fiscal years 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998'' and inserting ''24 cents per ton,

not to exceed in the aggregate $1.20 per ton in any one year, for fiscal years 1996, 1997, 1998, 1999, and 2000''; and

(2) by striking ''27 cents per ton, not to exceed $1.35 per ton per annum, for fiscal years 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998'' and inserting ''71 cents per ton, not to exceed $3.55 per ton per annum, for fiscal years 1996, 1997, 1998, 1999, and 2000''.

(b) CONFORMING AMENDMENT.—The Act entitled ''An Act concerning tonnage duties on vessels entering otherwise than by sea'', approved March 8, 1910 (36 Stat. 234; 46 App. U.S.C. 132), is amended by striking ''9 cents per ton, not to exceed in the aggregate 45 cents per ton in any one year, for fiscal years 1991, 1992, 1993, 1994, 1995, 1996, 1997, and 1998'' and inserting ''24 cents per ton, not to exceed in the aggregate $1.20 per ton in any one year, for fiscal years 1996, 1997, 1998, 1999, and 2000''.

SEC. 8103. FEES FOR OPERATION OF FOREIGN REPAIR STATIONS.

Not later than September 1, 1995, the Secretary of Transportation shall establish fees for maintenance and repairs carried out on aircraft not owned or operated by the United States, and engines and other parts and com-

ponents of such aircraft, at foreign repair stations operated by the Federal Aviation Administration in an amount sufficient to cover the cost of operating such stations in each fiscal year beginning after September 30, 1995. The Secretary shall collect such fees in fiscal year 1996 and each fiscal year thereafter and shall deposit the amounts collected in the general fund of the Treasury.

SEC. 8104. ELIMINATION OF FUNDING FOR HIGHWAY DEMONSTRATION PROJECTS.

(a) REPEAL OF AUTHORIZATION OF APPROPRIATIONS.—Sections 1103(b), 1104(b), 1105(f), 1106(a)(2), 1106(b)(2), 1107(b), and 1108(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027–2063) are each amended by striking ''through 1997'' and inserting ''through 1995''.

(b) CONFORMING AMENDMENTS.—Sections 1103(c), 1104(c), 1105(g)(2), 1106(a)(3), 1106(b)(3), 1107(c), and 1108(c) of such Act are each amended by striking ''1995, 1996, and 1997'' and inserting ''and 1995''.

Subtitle C—Rail Transportation Program Reform

SEC. 8201. AMTRAK.

Section 24104(a) of title 49, United States Code, is amended to read as follows:

''(a) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation—

''(1) $612,000,000 for fiscal year 1996;

''(2) $612,000,000 for fiscal year 1997;

''(3) $612,000,000 for fiscal year 1998;

''(4) $303,000,000 for fiscal year 1999; and

''(5) $303,000,000 for fiscal year 2000,

for the benefit of Amtrak for capital expenditures under this part, operating expenses, and payments described in subsection (c)(1)(A) through (C).''.

SEC. 8202. ELIMINATION OF FUNDING FOR MAGLEV PROTOTYPE DEVELOPMENT PROGRAM.

(a) IN GENERAL.—Section 1036(d) of the Intermodal Surface Transportation Efficiency Act of 1991 (49 U.S.C. 309 note; 105 Stat. 1986) is amended—

(1) in paragraph (1) by striking ''the following'' and all that follows through ''DEMONSTRATION PROGRAM.—For'' and inserting ''for''; and

(2) in paragraph (2) by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) RESCISSION OF FUNDS.—Of the funds made available under the heading ''Federal Railroad Administration—Railroad Research and Development'' in the Department of Transportation and Related Agencies Appro-

priations Act, 1994 (Public Law 103–122), $20,000,000 is rescinded, to be derived from magnetic levitation research and analysis activities.

SEC. 8203. LOCAL RAIL FREIGHT ASSISTANCE.

Section 22108(a)(3) of title 49, United States Code, is amended by striking ''under this subsection to the Secretary for any period after September 30, 1994'' and inserting in lieu thereof ''to the Secretary for any period after September 30, 1995''.

SEC. 8204. REDUCTION AND MODIFICATION OF BOATING SAFETY GRANTS.

(a) TRANSFER OF AMOUNTS FOR STATE BOATING SAFETY PROGRAMS.—

(1) TRANSFERS.—Section 4(b) of the Act of August 9, 1950 (16 U.S.C. 777c(b)), is amended to read as follows:

''(b)(1) Of the balance of each annual appropriation remaining after making the distribution under subsection (a), an amount equal to $40,000,000 for fiscal year 1996, $55,000,000 for fiscal year 1997, and $69,000,000 for each of fiscal years 1998 and 1999, shall, subject to paragraph (2), be used as follows:

''(A) A sum equal to $10,000,000 of the amount available for each of fiscal years 1996 through 1999 shall be available for use by the Sec-

retary of the Interior for grants under section 5604(c) of the Clean Vessel Act of 1992. Any portion of such a sum available for a fiscal year that is not obligated for those grants before the end of the following fiscal year shall be transferred to the Secretary of Transportation and shall be expended by the Secretary of Transportation for State recreational boating safety programs under section 13106 of title 46, United States Code.

''(B) A sum equal to $30,000,000 of the amount available for fiscal year 1996, $45,000,000 of the amount available for fiscal year 1997, and $59,000,000 of the amount available for each of fiscal years 1998 and 1999, shall be transferred to the Secretary of Transportation and shall be expended by the Secretary of Transportation for State recreational boating safety programs under section 13106 of title 46, United States Code.

Any portion of such a sum available for a fiscal year that is not obligated for those grants before the end of the following fiscal year shall be transferred to the Secretary of Transportation and shall be expended by the Secretary of Transportation for State recreational boating safety programs under section 13106 of title 46, United States Code.

''(2)(A) The amount transferred under paragraph (1)(B) for a fiscal year shall be reduced by the lesser of—

''(i) the amount appropriated to the Secretary of Transportation for that fiscal year to carry out the purposes of section 13106 of title 46, United States Code, from the Boat Safety Account in the Aquatic Resources Trust Fund established under section 9504 of the Internal Revenue Code of 1986; or

''(ii) $35,000,000; or

''(iii) for fiscal year 1996 only, $30,000,000.

''(B) The amount of any reduction under subparagraph (A) shall be apportioned among the several States under subsection (d) by the Secretary of the Interior.''.

(2) CONFORMING AMENDMENT.—Section 5604(c)(1) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note) is amended by striking ''section 4(b)(2) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(2), as amended by this Act)'' and inserting ''section 4(b)(1) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(1))''.

(3) LIMITATION ON OTHER DISTRIBUTION.—Notwithstanding any other provision of law, for fiscal year 1996, of the amount appropriated in accordance with section 3 of the Act of August 9,

1950 (16 U.S.C. 777b), $20,000,000 shall be excluded from the total amount subject to the 18 percent calculation of section 4(a) of such Act (16 U.S.C. 777c(a)).

(b) EXPENDITURE OF AMOUNTS FOR STATE RECREATIONAL BOATING SAFETY PROGRAMS.—Section 13106 of title 46, United States Code, is amended—

(1) in subsection (a)(1) by striking the first sentence and inserting the following: ''Subject to paragraph (2), the Secretary may expend under contracts with States under this chapter in each fiscal year for State recreational boating safety programs an amount equal to the sum of the amount appropriated from the Boat Safety Account for that fiscal year plus the amount transferred to the Secretary under section 4(b)(1) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(1)) for that fiscal year.''; and

(2) by amending subsection (c) to read as follows:

''(c) For expenditure under this chapter for State recreational boating safety programs there are authorized to be appropriated to the Secretary of Transportation from the Boat Safety Account established under section 9504 of the Internal Revenue Code of 1986 (26 U.S.C. 9504) not more than $35,000,000 each fiscal year.''.

Subtitle D—Miscellaneous Transportation Program Reform

SEC. 8301. FEDERAL AID FOR MASS TRANSIT.

(a) REDUCED FEDERAL SHARE.—

(1) COMPREHENSIVE PLANNING.—Section 5303(h)(5) of title 49, United States Code, is amended by striking ''80'' and inserting ''50''.

(2) BLOCK GRANTS.—Section 5307(e) of such title is amended by striking ''80'' and inserting ''50''.

(3) DISCRETIONARY GRANT PROGRAM.—Section 5309(h) of such title is amended by striking ''80'' and inserting ''50''.

(4) RURAL PROGRAM.—Section 5311(g)(2) of such title is amended by striking ''80'' and inserting ''50''.

(5) TRAINING PROGRAMS.—Section 5312(c)(3) of such title is amended by striking ''75'' and inserting ''50''.

(6) NATIONAL MASS TRANSPORTATION INSTITUTE.—Section 5315(d) of such title is amended by striking ''80'' and inserting ''50''.

(7) UNIVERSITY RESEARCH INSTITUTES.—Section 5316(f) of such title is amended by inserting before the period at the end the following: ''; except

that the Federal share of the costs of activities conducted with a grant under this section shall be 50 percent''.

(8) UNIVERSITY TRANSPORTATION CENTERS.—Section 5317(b)(5)(C) of such title is amended by striking ''80'' and inserting ''50''.

(9) BICYCLE FACILITIES.—Section 5319 of such title is amended by striking ''90'' and inserting ''50''.

(10) SUSPENDED LIGHT RAIL SYSTEM TECHNOLOGY PILOT PROJECT.—Section 5320(i) of such title is amended by striking ''80'' and inserting ''50''.

(11) ACQUISITION OF EQUIPMENT UNDER THE CLEAN AIR AND AMERICANS WITH DISABILITIES ACTS.—Section 5323(i) of such title is amended by striking ''90'' and inserting ''50''.

(12) PROJECT MANAGEMENT OVERSIGHT.—Section 5327(c)(3) of such title is amended by striking ''the entire'' and inserting ''50 percent of the''.

(b) ELIMINATION OF OPERATING ASSISTANCE.—

(1) BLOCK GRANTS.—Section 5307 of such title is amended—

(A) in subsection (b)(1) by striking ''improvement, and operating'' and inserting ''and improvement'';

(B) in subsection (b)(2) by striking ''that cannot be used to pay operating expenses under this section'';

(C) in subsection (e) by striking the second sentence;

(D) by striking subsection (f);

(E) in subsection (g)(1) by striking ''(except a project for operating expenses)''; and

(F) by redesignating subsections (g) through (n) as subsections (f) through (m), respectively.

(2) TRANSPORTATION FACILITIES TO MEET SPECIAL NEEDS.—

(A) IN GENERAL.—Sections 5301(d) and 5310 of such title are repealed.

(B) CONFORMING AMENDMENTS.—Section 5338 of such title is amended—

(i) in subsection (a) by striking ''5310,'' each place it appears (including the subsection heading); and

(ii) in subsection (j) by striking paragraph (2) and by redesignating paragraphs

(3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(3) RURAL PROGRAM.—Section 5311 of such title is amended—

(A) in subsection (b) by striking the parenthetical phrase;

(B) in subsection (e) by striking ''(1)'' and by striking paragraph (2);

(C) in subsection (f)(1)(D) by striking ''operating'' and all that follows through ''user-side subsidies, and'';

(D) in subsection (g)(2) by striking the second sentence;

(E) by striking subsection (h); and

(F) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(4) SUSPENDED LIGHT RAIL SYSTEM TECHNOLOGY PILOT PROJECT.—Section 5320 of such title is amended—

(A) by striking the second sentence of subsection (e); and

(B) in subsection (h)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

Subtitle E—Administrative Reform

SEC. 8401. REDUCTION IN OVERHEAD EXPENSES OF DEPARTMENT OF TRANSPORTATION.

(a) IN GENERAL.—The amount obligated by the Department of Transportation during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $498,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

TITLE IX—COMMUNITY AND REGIONAL DEVELOPMENT

Subtitle A—Housing Program Reforms

SEC. 9001. TERMINATION OF EXPANSION OF RURAL RENTAL HOUSING PROGRAM.

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by inserting after subsection (g) the following new subsection:

''(h) PROHIBITION OF NEW LOANS.—After the date of the enactment of the Restructuring a Limited Government Act, the Secretary may not make or insure, or enter into any commitment to make or insure, any loan under this section.''.

Subtitle B—Community and Regional Development Program Reforms

SEC. 9101. ELIMINATION OF FUNDING FOR ENVIRONMENTAL RESEARCH PROGRAMS OF TENNESSEE VALLEY AUTHORITY.

For fiscal years beginning after September 30, 1995, no amounts may be appropriated to the Tennessee Valley

Authority for activities of the Authority's environmental research center and national fertilizer research center.

SEC. 9102. ELIMINATION OF CDBG PROGRAM.

(a) REPEAL.—Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is hereby repealed.

(b) TRANSITION.—Any amounts appropriated to carry out title I of the Housing and Community Development Act of 1974 before the date of the enactment of this Act shall be used in accordance with the provisions of such title as in effect immediately before the enactment of this Act.

SEC. 9103. TERMINATION OF ECONOMIC DEVELOPMENT ADMINISTRATION.

(a) IN GENERAL.—The Economic Development Administration is terminated.

(b) REPEAL OF ACTS.—The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.) and the Local Public Works Capital Development and Investment Act of 1976 (42 U.S.C. 6701 et seq.) are repealed.

(c) CONCLUSION OF OUTSTANDING AFFAIRS.—

(1) IN GENERAL.—The Secretary of Commerce shall provide for the conclusion of any outstanding affairs of the Economic Development Administra-

tion, including matters affecting the disposition of personnel.

(2) AUTHORITY.—In carrying out this subsection, the Secretary of Commerce may exercise any authority that was provided to the Secretary under the Acts repealed by subsection (b), as such Acts were in effect on the day before the effective date of this section, and is necessary or appropriate to administer and fulfill the terms of any grant, contract, agreement, loan, obligation, debenture, or guarantee made by the Secretary pursuant to such Acts.

(d) EFFECT OF TERMINATION ON EXPENDITURE OF FUNDS ALREADY RECEIVED.—Nothing in this section may be construed to prevent the expenditure of any funds received from a grant or loan under the Acts repealed by subsection (b). Such funds shall be subject to such laws and regulations as applied to the funds on the day before the effective date of this section.

(e) ECONOMIC DEVELOPMENT REVOLVING FUND.—

(1) CONTINUATION TO FINISH BUSINESS.—The Economic Development Revolving Fund established by section 203 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3143) shall continue in existence for the following purposes:

(A) COLLECTIONS AND REPAYMENTS.—To receive collections and repayments in connection with assistance extended under the Acts repealed by subsection (b).

(B) PAYMENT OF OBLIGATIONS.—To pay obligations and make expenditures in connection with the Acts repealed by subsection (b).

(2) TERMINATION OF FUND.—

(A) CERTIFICATION.—When, in the discretion of the Secretary of Commerce, the Economic Development Revolving Fund is no longer necessary to carry out the activities under paragraph (1), the Secretary of Commerce shall certify to the Secretary of the Treasury that the Economic Development Revolving Fund is no longer necessary.

(B) TERMINATION.—Upon receipt of the certification under subparagraph (A), the Secretary of the Treasury shall terminate the Economic Development Revolving Fund and deposit into the general fund of the Treasury as miscellaneous receipts any moneys remaining in the Fund. The Secretary of the Treasury shall deposit into the general fund of the Treasury any collections and repayments made after the ter-

mination of the Economic Development Revolving Fund in connection with the Acts repealed by subsection (b).

(f) EFFECTIVE DATE.—This section shall take effect on October 1, 1995.

SEC. 9104. TERMINATION OF APPALACHIAN REGIONAL COMMISSION.

(a) IN GENERAL.—The Appalachian Regional Commission is terminated.

(b) REPEAL OF ACTS.—The Appalachian Regional Development Act of 1965 (40 U.S.C. App. 1 et seq.) is repealed.

(c) CONCLUSION OF OUTSTANDING AFFAIRS.—

(1) IN GENERAL.—The President shall take such actions as may be necessary and appropriate to conclude any outstanding affairs of the Appalachian Regional Commission, including matters affecting the disposition of personnel.

(2) AUTHORITY.—In carrying out this subsection, the President may exercise any authority that was provided to the Appalachian Regional Commission under the Appalachian Regional Development Act of 1965, as in effect on the day before the effective date of this section, and is necessary or appropriate to administer and fulfill the terms of any

grant, contract, loan, or other obligation entered into by the Appalachian Regional Commission under such Act.

(d) EXPENDITURE OF FUNDS.—Nothing in this section may be construed to prevent the expenditure of any funds received under the Appalachian Regional Development Act of 1965. Such funds shall be subject to such laws and regulations as applied to the funds on the day before the effective date of this section.

(e) EFFECTIVE DATE.—This section shall take effect on October 1, 1995.

SEC. 9105. ELIMINATION OF RURAL DEVELOPMENT LOAN AND GRANT PROGRAMS.

(a) REPEAL OF THE RURAL ELECTRIFICATION ACT OF 1936.—The Rural Electrification Act of 1936 (7 U.S.C. 901–950b) is hereby repealed.

(b) ELIMINATION OF CERTAIN PROGRAMS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended by striking subsection (b).

(2) Section 306 of such Act (7 U.S.C. 1926) is hereby repealed.

(3) Section 306A of such Act (7 U.S.C. 1926a) is hereby repealed.

(4) Section 306B of such Act (7 U.S.C. 1926b) is hereby repealed.

(5) Section 306C of such Act (7 U.S.C. 1926c) is hereby repealed.

(6) Section 310B of such Act (7 U.S.C. 1932) is hereby repealed.

(7) Section 312(a) of such Act (7 U.S.C. 1942(a)) is amended in the 1st sentence—

(A) by striking clauses (5), (6), (8), (11), (12), and (13);

(B) by adding ''or'' at the end of clause (9);

(C) by striking the comma at the end of clause (10) and inserting a period; and

(D) by redesignating clauses (7), (9), and (10) as clauses (5), (6), and (7), respectively.

(8) Section 312 of such Act (7 U.S.C. 1942) is amended by striking subsections (b), (c), and (d) and redesignating subsection (e) as subsection (b).

(c) ELIMINATION OF CERTAIN PROGRAMS UNDER THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—

(1) Subtitle B of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007–2007e) is hereby repealed.

(2) Section 2322 of such Act (7 U.S.C. 1926–1) is hereby repealed.

(3) Section 2324 of such Act (7 U.S.C. 1926 note) is hereby repealed.

(4) Section 2326 of such Act (7 U.S.C. 1926b note) is amended by striking subsection (b).

(5) Subtitle D of title XXIII of such Act (7 U.S.C. 950aaa–950aaa–4 and 1932 note) is hereby repealed.

(d) ELIMINATION OF CERTAIN PROGRAM UNDER THE FOOD SECURITY ACT OF 1985.—Section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note) is hereby repealed.

(e) CONFORMING AMENDMENTS.—

(1) CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS.—

(A) Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(i) in subparagraph (A), by striking ''and essential community facilities''; and

(ii) by striking subparagraph (C).

(B) Section 307(a) of such Act (7 U.S.C. 1927(a)) is amended by striking paragraph (4).

(C) Section 307(a)(5) of such Act (7 U.S.C. 1927(a)(5)) is amended—

(i) by striking ''(A) Except as provided in subparagraph (B), the'' and inserting ''The''; and

(ii) by striking subparagraph (B).

(D) Section 307(a)(6)(B) of such Act (7 U.S.C. 1927(a)(6)(B)) is amended—

(i) by adding ''and'' at the end of clause (i);

(ii) by striking clauses (ii) through (vi); and

(iii) by redesignating clause (vii) as clause (ii).

(E) Section 307(c) of such Act (7 U.S.C. 1927(c)) is amended by striking '', and for obligations in connection with loans to associations under section 306, shall take liens on the facility or such other security as he may determine to be necessary''.

(F) Section 309(g)(1) of such Act (7 U.S.C. 1929(g)(1)) is amended by striking ''the last sentence of section 306(a)(1),''.

(G) Section 309A(a) of such Act (7 U.S.C. 1929a(a)) is amended by inserting ''(as such sections were in effect before the effective date of the Restructuring a Limited Government Act),'' after ''312(b),''.

(H) Section 309A(g) of such Act (7 U.S.C. 1930(g)) is amended—

(i) by striking paragraph (1); and

(ii) in paragraph (8), by striking ''make grants under sections 306(a) and 310B of this title,''.

(I) Section 310A of such Act (7 U.S.C. 1931) is amended by striking '', the last sentence of section 306(a)(1),''.

(J) Section 316(a) of such Act (7 U.S.C. 1946(a)) is amended by striking paragraph (3).

(K) Section 317 of such Act (7 U.S.C. 1947) is amended by striking ''(except section 312(b))''.

(L) Section 333A(a) of such Act (7 U.S.C. 1983a(a)) is amended by striking paragraph (4).

(M) Section 344 of such Act (7 U.S.C. 1994) is hereby repealed.

(N) Section 353A of such Act (7 U.S.C. 2001a) is amended by inserting ''(as in effect before the effective date of the Restructuring a Limited Government Act)'' before the period.

(O) Section 365 of such Act (7 U.S.C. 2008) is hereby repealed.

(P) Section 366 of such Act (7 U.S.C. 2008a) is hereby repealed.

(Q) Section 367 of such Act (7 U.S.C. 2008b) is hereby repealed.

(R) Section 368 of such Act (7 U.S.C. 2008b) is hereby repealed.

(2) DEPARTMENT OF AGRICULTURE REORGANIZATION ACT OF 1994 AMENDMENTS.—

(A) Section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(B) Section 234(b) of such Act (7 U.S.C. 6944(b)) is amended by striking paragraphs (1) and (3) and redesignating paragraphs (2), (4), and (5) as paragraphs (1) through (3), respectively.

(3) COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978 AMENDMENT.—Section 10(b)(3) of the Cooperative Forestry Assistance Act of 1978 (7 U.S.C. 2106(b)(3)) is amended by inserting ‘‘, as in effect before the effective date of the Restructuring a Limited Government Act’’ before the period.

(4) AGRICULTURAL ACT OF 1970 AMENDMENT.—Section 901(b) of the Agricultural Act of 1970 (42 U.S.C. 3122(b)) is amended by inserting ‘‘, as in effect before the effective date of the Restructuring a Limited Government Act’’ before the period.

(5) ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT AMENDMENTS.—Section 310(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5153(a)) is amended by striking paragraph (4) and redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(f) NO EFFECT ON EXISTING CONTRACTS AND OBLIGATIONS.—The amendments made by this section shall not be construed to affect any right, power, or duty granted pursuant to any contract entered into or obligation made before the effective date of this Act.

(g) SALE OF OUTSTANDING RURAL DEVELOPMENT LOANS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, not later than the end of the 3-year period that begins with the effective date of this Act, the Secretary of Agriculture shall sell to private investors all interests of the United States in all qualified loans made before such effective date that are outstanding at the time of the sale, for cash only, on the most favorable terms to the Federal Government that are then obtainable.

(2) QUALIFIED LOAN DEFINED.—As used in paragraph (1), the term ''qualified loan'' means a loan made or insured under—

(A) the Rural Electrification Act of 1936 (as in effect before the effective date of this Act);

(B) section 304(b), 306, 306C, 310B, or clause (5), (6), (8), (11), (12), or (13) of subsection (a), or subsection (b) or (c), of section 312, of the Consolidated Farm and Rural Development Act (as so in effect); or

(C) subtitle B of title XXIII, or section 2322 or 2324, of the Food, Agriculture, Con-

servation, and Trade Act of 1990 (as so in effect).

Subtitle C—Administrative Reforms

SEC. 9201. OPERATION OF INDIAN PROGRAMS.

Amounts made available for the operation of Indian programs for fiscal years 1996 through 2000 may not exceed $1,443,244,000 for each of such fiscal years. For the purposes of this section, the term ''operation of Indian programs'' means those programs, projects, and activities for which amounts were appropriated for fiscal year 1995 under the appropriations account numbered 14–2100–0–1–999, as adjusted under item 90.00 (relating to adjustments to gross budget authority and outlays).

SEC. 9202. BUREAU OF INDIAN AFFAIRS CONSTRUCTION.

Amounts appropriated for construction with respect to the Bureau of Indian Affairs for fiscal years 1996 through 2000 may not exceed $83,111,000 for each of such fiscal years. For the purposes of this section, the term ''construction with respect to the Bureau of Indian Affairs'' means those programs, projects, and activities for which amounts were appropriated for fiscal year 1995 under the appropriations account numbered 14–2301–0–1–452 and identified as budget authority under item 40.00.

TITLE X—EDUCATION AND TRAINING

Subtitle A—Job Training Reform

SEC. 10001. SHORT TITLE.

This subtitle may be cited as the ''Employment Enhancement Reform Act''.

CHAPTER 1—BLOCK GRANTS TO STATES

SEC. 10011. STATEMENT OF PURPOSE.

It is the purpose of this chapter to establish a block grant program to prepare individuals for employment in the labor force by increasing their occupational and educational skills, resulting in improved long-term employability, increased employment and earnings, and reduced welfare dependency.

SEC. 10012. AUTHORIZATION.

(a) GRANTS TO STATES.—The Secretary of Labor may provide grants to States for the purpose of providing employment assistance to eligible individuals in such States in accordance with this chapter.

(b) GRANTS TO INDIAN TRIBES AND MIGRANT AND SEASONAL FARMWORKER ORGANIZATIONS.—Not more than 5 percent of the amount appropriated to carry out this chapter for a fiscal year may be used by the Secretary to provide grants to Indian tribes and migrant and seasonal farmworker organizations for the purpose of provid-

ing employment assistance to Native Americans and migrant and seasonal farmworkers in accordance with this subchapter.

(c) PERIOD OF GRANTS.—A grant received under subsection (a) or (b), as the case may be, may extend for a period of not more than 5 fiscal years. The payments under such grant shall be subject to annual approval of the Secretary and the availability of appropriations for each fiscal year.

SEC. 10013. ALLOCATION.

In providing grants to States under section 10012 for a fiscal year, the Secretary shall, to the extent practicable, allocate the amount appropriated for such fiscal year as follows:

(1) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all States.

(2) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals within each State as compared to the total excess number of unemployed individuals in all States.

(3) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged adults within each State as compared to the total number of economically disadvantaged adults in all States.

SEC. 10014. APPLICATION.

The Secretary may provide a grant to a State under section 10012 only if such State submits to the Secretary an application which contains such information as the Secretary may reasonably require, including a description of the program to be established by the State under section 10015.

SEC. 10015. USE OF AMOUNTS.

(a) ESTABLISHMENT OF EMPLOYMENT ASSISTANCE PROGRAM.—

(1) IN GENERAL.—The Secretary may provide a grant to a State under section 10012 only if such State agrees that it will use all amounts received from such grant to establish a program to provide employment assistance to eligible individuals described in paragraph (2).

(2) ELIGIBLE INDIVIDUALS.—An individual shall be eligible to receive employment assistance under the program if such individual—

(A) has attained the age of 14 and is economically disadvantaged;

(B)(i) 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 the individual's previous industry or occupation;

(ii) has been terminated, has received notice of termination, or has reason to believe that such individual will be terminated or receive notice of termination or lay off from employment, as a result of any permanent closure of or any substantial layoff at a plant, facility, or enterprise; or

(iii) was self-employed (including farmers and ranchers) and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters, subject to regulations prescribed by the Secretary;

(C) is an individual with a disability;

(D) is a member of the Armed Forces who is being separated under other than adverse conditions;

(E) is a veteran who is unemployed; or

(F) is a displaced homemaker.

(b) CONDUCT OF PROGRAM.—In carrying out the program described in subsection (a), the State shall meet the following requirements:

(1)(A) The State shall ensure the profiling and evaluation of eligible individuals for the purpose of determining the amount of employment assistance services, including, subject to subparagraph (B), the amount of supportive services, if appropriate, to be provided to such individuals. In profiling and evaluating such individuals, the State shall classify individuals in 1 of the following 3 categories:

(i) Job-ready and in need of placement services.

(ii) Job-ready and in need of remedial skills enhancement.

(iii) Non-job-ready and in need of remedial education.

(B) The State shall ensure that eligible individuals receive information relating to the provision of supportive services from sources other than under this subchapter for the purpose of participating in the program under this subchapter.

(2) The State shall provide appropriate employment assistance services to eligible individuals based upon the classification of the individual in the categories described in clauses (i) through (iii) of paragraph (1)(A). Such assistance may not be used to provide stipends or direct payments to individuals for participation in the program, including payments for supportive services, except that such assistance may include payments for transportation costs, based on need, of such individuals for participation in the program.

(3) The State shall monitor the rate at which individuals in the program successfully obtain employment after separation from the program in accordance with the following criteria:

(A) With respect to individuals classified in the category described in paragraph (1)(A)(i), employment for a period of not less than 6 months under which—

(i) the individual works an average of at least 35 hours per week; and

(ii) the individual receives wages equal to not less than 65 percent of the average wages received for employment during the

2-year period ending on the date of enrollment in the program.

(B) With respect to individuals classified in the category described in paragraph (1)(A)(ii)—

(i) demonstration of proficiency of those skill areas of the individual assessed as deficient; and

(ii) employment for a period of not less than 6 months in accordance with the requirements described in subparagraph (A).

(C) With respect to individuals classified in the category described in paragraph (1)(A)(iii)—

(i) demonstration of proficiency in education and skills commensurate with a high school degree; and

(ii) employment for a period of not less than 6 months in accordance with the requirements described in subparagraph (A).

(4) The State shall, to the extent practicable, establish one-stop-shop centers throughout the State at which eligible individuals are provided information

on the various types of employment assistance services available under the program and at which such individuals are profiled and evaluated in accordance with paragraph (1)(A).

(c) DISCRETIONARY ACTIVITIES.—In carrying out the program described in subsection (a), the State may carry out the following activities:

(1) The State may allow eligible individuals to participate in education and job search activities for non-traditional employment.

(2) The State may establish a State employment coordinating council (or designate a similar existing council) which will—

(A) study the emerging economic and employment trends, job creation opportunities, and other employment and job training needs of individuals in the State;

(B) based upon the study conducted under subparagraph (A), propose additional appropriate activities to be carried out under the program; and

(C) report the results of the study conducted under subparagraph (A) and the proposed additional appropriate activities under subparagraph (B) to—

(i) the State agency responsible for carrying out the program;

(ii) the Governor; and

(iii) the State legislature.

SEC. 10016. REPORTS.

(a) REPORT TO THE SECRETARY.—Not later than 1 year after the date on which a State receives amounts from a grant under section 10012, and in each subsequent fiscal year in which the State receives amounts from such grant, the State shall submit to the Secretary a report containing—

(1) the total number of individuals who applied for participation in the program in the fiscal year;

(2) the total number of individuals enrolled in the program in the fiscal year and the total number of individuals who have re-enrolled in the program for such fiscal year;

(3) the period of time spent in the program by individuals who have separated from the program and the rate at which such individuals successfully obtained employment after such separation in accordance with the criteria described in subparagraphs (A) through (C) of section 10015(b)(3); and

(4) any other appropriate information requested by the Secretary.

(b) REPORT TO CONGRESS.—The Secretary shall annually submit to the Congress a report containing—

(1) a compilation of the information contained in the reports received by the Secretary under subsection (a); and

(2) an evaluation of the block grant program under this subchapter.

SEC. 10017. REDUCTION OR TERMINATION OF PAYMENTS UNDER GRANT.

(a) DETERMINATION OF SUCCESS IN PLACING INDIVIDUALS IN EMPLOYMENT.—

(1) IN GENERAL.—The Secretary shall determine, based upon the information contained in the reports submitted by a State under section 10016(a), whether or not the State has been successful in placing individuals in employment during each 2-year period under the program.

(2) CRITERIA.—In making a determination under paragraph (1), the Secretary shall take into consideration appropriate criteria, including the general economic conditions of the State during the 2-year period referred to in such paragraph.

(b) REDUCTION OR TERMINATION OF PAYMENTS.—If the Secretary determines under subsection (a) that a State has not been successful in placing individuals in em-

ployment during any 2-year period under the program, the Secretary may—

(1) reduce the amount of payments under the grant to such State for subsequent fiscal years; or

(2) terminate payments under the grant to such State.

(c) CONTINUATION OF PAYMENTS.—The Secretary may reinstate payments or increase payments under a grant with respect to a State that the Secretary has determined under subsection (a) has not been successful in placing individuals in employment in accordance with subsection (b), if the Secretary subsequently determines that such State has implemented appropriate modifications to the program.

SEC. 10018. DEFINITIONS.

For the purposes of this chapter, the following definitions apply:

(1) AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term ''area of substantial unemployment'' means any area which has an average rate of unemployment of at least 6.5 percent for the most recent twelve months as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.

(2) 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 six-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 the State.

(3) INDIVIDUAL WITH A DISABILITY.—The term ''individual with a disability'' means an individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

(4) LOW-INCOME LEVEL.—The term ''low-income level'' means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the

Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(6) STATE.—The term ''State'' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(7) UNEMPLOYED INDIVIDUALS.—The term ''unemployed individuals'' means individuals who are without jobs and who want and are available for work. The determination of whether individuals are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

(8) VETERAN.—The term ''veteran'' means an individual who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(9) VOCATIONAL EDUCATION.—The term ''vocational education'' means organized educational programs offering a sequence of courses which are directly related to the preparation of individuals in paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Such programs shall include competency-based applied learning which contributes to an individual'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.

(10) DISPLACED HOMEMAKER.—The term ''displaced homemaker'' means an individual who has been providing unpaid services to family members in the home and who—

(A) has been dependent either—

(i) on public assistance and whose youngest child is within 2 years of losing eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

(ii) on the income of another family member but is no longer supported by that income; and

(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(11) NONTRADITIONAL EMPLOYMENT.—The term ''nontraditional employment'' means occupations or fields of work where women or men, as the case may be, comprise less than 25 percent of the individuals employed in such occupation or field of work.

SEC. 10019. TRANSFER OF FUNDS.

Notwithstanding any other provision of law, any amounts appropriated to carry out any provision of law specified in part 2 of chapter 2 which are not obligated or expended on or after the end of the first fiscal year beginning after the date of the enactment of this subchapter shall be made available to carry out this subchapter.

SEC. 10020. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this chapter $8,000,000,000 for each of the fiscal years 1997 through 2001.

(b) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations in subsection (a) are authorized to remain available until expended.

CHAPTER 2—CONSOLIDATION AND REPEAL OF CERTAIN FEDERAL EMPLOYMENT ASSISTANCE PROGRAMS

PART 1—CONSOLIDATION OF PROGRAMS

SEC. 10031. CERTAIN COMMUNITY-BASED PROJECTS REGARDING HEALTH CARE FOR THE HOMELESS; CONFORMING AMENDMENT REGARDING PUBLIC LAW 102–321.

The Stewart B. McKinney Homeless Assistance Act (Public Law 100–77) is amended by striking section 612 (relating to homeless individuals with chronic mental illness).

SEC. 10032. CERTAIN EMPLOYMENT-RELATED PROGRAMS UNDER REHABILITATION ACT OF 1973.

(a) SUPPORTED EMPLOYMENT FOR INDIVIDUALS WITH MOST SEVERE DISABILITIES.—Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (5), by amending subparagraph (B) to read as follows:

''(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad

variety of means for providing services to individuals with the most severe disabilities, including the provision of services leading to supported employment; and''; and

(2) by amending paragraph (25) to read as follows:

''(25) provide assurances satisfactory to the Secretary that the State has an acceptable plan for developing a collaborative program with appropriate entities to provide supported employment services for individuals with the most severe disabilities who require supported employment services to enter or retain competitive employment;''.

(b) SPECIAL RECREATION ACTIVITIES AND SERVICES.—

(1) IN GENERAL.—Section 101(a)(12) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(12)) is amended—

(A) in subparagraph (A), by striking ''and'' after the semicolon at the end;

(B) in subparagraph (B), by adding ''and'' after the semicolon at the end; and

(C) by adding at the end the following subparagraph:

''(C) provide for entering into agreements with the operators of community rehabilitation programs or to make awards of grants or contracts to nonprofit private

organizations, for the provision of special recreation activities and services, that are, whenever possible, provided in settings with peers who are not individuals with disabilities;''.

(2) SCOPE OF SERVICES.—Section 103(a) of the Rehabilitation Act of 1973 (29 U.S.C. 723(a)) is amended—

(A) in paragraph (15), by striking ''and'' after the semicolon at the end;

(B) in paragraph (16), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following paragraph:

''(17) special recreation activities and services.''.

(c) PROJECTS WITH INDUSTRY.—Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (35), by striking ''and'' after the semicolon at the end;

(2) in paragraph (36), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following paragraph:

''(37) provide satisfactory assurances to the Commissioner that the State has awarded grants to individual employers, community rehabilitation program providers, labor unions, trade associations, Indian tribes, tribal organizations, designated States units, and other entities that are jointly financed to create and expand job and career opportunities for individuals with disabilities, which provide training in realistic work settings, job placements, development and modification of jobs and career opportunities, and distribution of rehabilitation technology, including necessary support services.''.

(d) DEFINITIONS.—Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 706) is amended by adding at the end the following paragraph:

''(36) The term 'special recreation activities and services' means activities and services that provide individuals with disabilities with recreational activities and related experiences to aid in the employment, mobility, socialization, independence, and community integration of such individuals. These may include, but are not limited to, vocational skills development, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, 4-H activities, music, dancing, handicrafts, art, and homemaking.''.

(e) CONFORMING PROVISIONS.—

(1) REPEALS.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by striking the following provisions:

(A) Subsection (c) of section 311.

(B) Section 316.

(C) Parts B and C of title VI.

(2) FUNDING.—Section 100(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b)(1)) is amended by adding at the end the following: ''(For fiscal year 1996, in determining the amount to be appropriated under the preceding sentence, the amount appropriated for fiscal year 1995 under this subsection is deemed to be the sum of the aggregate amount appropriated for carrying out section 311(c), section 316, and parts B and C of title VI and the amount actually appropriated under this subsection for fiscal year 1994.)''.

(3) REDESIGNATIONS; CROSS-REFERENCES.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(A) in section 101(a)(5)(A), by striking ''including individuals served under part C of title VI of this Act'';

(B) in section 310, by striking ''sections 311(d), 311(e), 312, and 316'' and inserting ''sections 311(c), 311(d), and 312'';

(C) in section 311, by redesignating subsections (d) through (f) as subsections (c) through (e), respectively;

(D) in title VI, by redesignating part D as part B; and

(E) in section 802(j)—

(i) in paragraph (1), by striking ''Consistent with'' and all that follows through ''the Commissioner may'' and inserting ''The Commissioner may''; and

(ii) in paragraph (3)(B), by striking clause (ii) and redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively.

PART 2—REPEAL OF PROGRAMS

SEC. 10041. HIGHER EDUCATION FOR STUDENTS FROM MIGRANT AND SEASONAL FARMWORKER FAMILIES.

Subpart 5 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070d–2) is repealed.

SEC. 10042. CERTAIN VETERANS PROGRAMS.

(a) DISABLED VETERANS OUTREACH PROGRAM AND LOCAL VETERANS EMPLOYMENT REPRESENTATIVE PROGRAM.—Sections 4103A, 4104, and 4104A of title 38, United States Code, are repealed.

(b) HOMELESS VETERANS REINTEGRATION PROJECT.—Section 738 of Public Law 100–77 (42 U.S.C. 11448) is repealed.

(c) CONFORMING AMENDMENTS.—(1) Section 3117(a)(2) of title 38, United States Code, is amended—

(A) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(B) by inserting ''and'' after the semicolon at the end of subparagraph (A).

(2) Section 3672(d) of title 38, United States Code, is amended by striking ''and shall utilize'' and all that follows through the end thereof and inserting in lieu thereof a period.

(3) Section 4102A(b) of title 38, United States Code, is amended—

(A) by inserting ''and'' at the end of paragraph (4);

(B) by striking paragraphs (5) and (7) of subsection (b);

(C) by redesignating paragraph (6) as paragraph (5) and in that paragraph by striking ''; and'' and inserting a period; and

(D) by striking subsection (c).

(4) Section 4106(a) of title 38, United States Code, is amended—

(A) in the fifth sentence—

(i) by striking ''in all of the States for the purposes specified in paragraph (5) of section 4102A(b) of this title and''; and

(ii) by striking ''sections.'' and inserting ''section.''; and

(B) in the sixth sentence, by striking ''and of the proposed numbers, by State, of disabled veterans' outreach program specialists appointed under section 4103A of this title and local veterans' employment representatives assigned under section 4104 of this title,''.

(5) Section 4107(c) of title 38, United States Code, is amended—

(A) by inserting ''and'' at the end of paragraph (3);

(B) by striking paragraph (4);

(C) by redesignating paragraph (5) as paragraph (4) and in that paragraph—

(i) by striking ''including an evaluation of the effectiveness of such programs during such program year in meeting the requirements of section 4102A(b) of this title,''; and

(ii) by striking ''(including'' and all that follows through ''representatives)''.

(6) Section 739(b) of Public Law 100–77 (42 U.S.C. 11449) is amended by striking ''other than section 738 and for the program under section 738''.

(7) The table of sections for chapter 41 of title 38, United States Code, is amended by striking the items relating to sections 4103A, 4104, and 4104A.

SEC. 10043. FOSTER GRANDPARENT AND SENIOR COMPANION PROGRAMS AND PROGRAMS UNDER OLDER AMERICANS ACT OF 1965.

(a) FOSTER GRANDPARENT AND SENIOR COMPANION PROGRAMS.—The Domestic Volunteer Service Act (42 U.S.C. 4950 et seq.) is amended—

(1) in section 200—

(A) in paragraph (1) by inserting ''and'' at the end,

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

(C) by striking paragraphs (3) and (4),

(2) in title II—

(A) by striking parts B and C, and

(B) in part D—

(i) by redesignating such part as part B,

(ii) in sections 221 and 225 by striking ''parts A, B, and C'' each place it appears and inserting ''part A'', and

(iii) by redesignating part E as part C,

(3) in section 416(f)(2) by striking ''parts (B) and'' and inserting ''part'',

(4) in section 421—

(A) by striking paragraphs (9), (10), (17), and (18), and

(B) in paragraph (14) by striking ''(B), (C), and (E)'' and inserting ''and (C)'',

(5) in section 502—

(A) by striking subsections (b) and (c), and

(B) in subsection (d)—

(i) by striking ''part E'' and inserting ''part C'', and

(ii) by redesignating such subsection as subsection (c), and

(6) in section 503(d) by striking ''part E'' and inserting ''part C''.

(b) AMENDMENT TO THE OLDER AMERICANS ACT OF 1965.—Title V of the Older Americans Act of 1965 (42 U.S.C. 3056–3056i) is repealed.

SEC. 10044. JOB TRAINING PARTNERSHIP ACT.

(a) IN GENERAL.—The Job Training Partnership Act (29 U.S.C. 1501 et seq.), except sections 421 through 439 of such Act (29 U.S.C. 1691 et seq.) (relating to the Job Corps), is hereby repealed.

(b) CONFORMING AMENDMENTS TO JOB CORPS.—The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) by redesignating sections 421 through 439 as sections 1 through 20, respectively;

(2) in section 1 (as redesignated), by striking ''part'' each place it appears and inserting ''Act'';

(3) in section 3(4) (as redesignated), by striking ''sections 424 and 425'' and inserting ''sections 4 and 5'';

(4) in section 4 (as redesignated)—

(A) in subsection (a), by striking ''entities administering programs under title II of this Act,''; and

(B) in subsection (b), by striking ''part'' and inserting ''Act'';

(5) in section 6 (as redesignated)—

(A) in subsection (a), by striking ''section 428'' and inserting ''section 8''; and

(B) by striking subsection (d);

(6) in section 7 (as redesignated)—

(A) by striking subsection (b); and

(B) by redesignating subsection (c) as subsection (b);

(7) in section 13 (as redesignated)—

(A) in subsection (a)(4), by striking ''part'' and inserting ''Act'';

(B) in subsection (c)(1), by striking ''and activities authorized under sections 452 and 453''; and

(C) in subsection (e), by striking ''section 431'' and inserting ''section 11'';

(8) in section 14 (as redesignated)—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking ''section 427'' and inserting ''section 7''; and

(ii) in paragraph 4(A), by striking ''section 428'' and inserting ''section 8'';

(B) in subsection (c)(3), by striking ''section 423'' and inserting ''section 3'';

(C) in subsection (d), by striking ''sections 424 and 425'' and inserting ''sections 4 and 5''; and

(D) in subsection (e), by striking '', pursuant to section 452(d),'';

(9) in section 16 (as redesignated), by striking ''part'' each place it appears and inserting ''Act'';

(10) in section 19 (as redesignated), by striking ''part'' each place it appears and inserting ''Act'';

(11) in section 20 (as redesignated), by striking ''part'' and inserting ''Act''; and

(12) by adding at the end the following new section:

''SEC. 21. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this Act—

''(1) $1,098,000,000 for fiscal year 1997;

''(2) $1,128,000,000 for fiscal year 1998;

''(3) $1,158,000,000 for fiscal year 1999;

''(4) $1,189,000,000 for fiscal year 2000; and

''(5) $1,221,000,000 for fiscal year 2001.''.

SEC. 10045. APPALACHIAN VOCATIONAL AND OTHER EDUCATION FACILITIES AND OPERATIONS PROGRAM.

Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211) is repealed.

SEC. 10046. TARGETED JOBS CREDIT.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking subpart F (relating to rules for computing targeted jobs credit).

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (b) of section 38 of such Code is amended by striking paragraph (2) and by redesignating the succeeding paragraphs accordingly.

(2) The table of subparts for part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to subpart F.

SEC. 10047. SERVICE MEMBERS OCCUPATIONAL CONVERSION AND TRAINING ACT OF 1992.

The Service Members Occupational Conversion and Training Act of 1992 (10 U.S.C. 1143 note) is repealed.

SEC. 10048. ADULT EDUCATION PROGRAMS.

The Adult Education Act (20 U.S.C. 1201 et seq.) is repealed.

SEC. 10049. VOCATIONAL EDUCATION PROGRAMS.

The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is repealed.

SEC. 10050. NATIONAL LITERACY PROGRAMS.

The National Literacy Act of 1991 (20 U.S.C. 1211–2) is repealed.

SEC. 10051. INDIAN EMPLOYMENT, TRAINING AND RELATED SERVICES DEMONSTRATION PROGRAM.

The Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.) is repealed.

SEC. 10052. SPECIAL PROVISIONS RELATING TO INDIAN TRIBES.

Subsection (i) of section 682 of the Social Security Act (42 U.S.C. 682(i)) is repealed.

SEC. 10053. LITERACY CORPS.

Section 109 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959) is repealed.

SEC. 10054. MISCELLANEOUS REPEALERS.

The following provisions of law are hereby repealed:

(1) The Act of June 6, 1933 (29 U.S.C. 49 et seq.; commonly referred to as the ''Wagner-Peyser Act'').

(2) Subtitle A of title VII of Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.).

(3) Subtitle C of title VII of Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(4) Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 and following) and the items relating to such chapter in the table of contents of such Act.

(5) Section 402 of the Homeownership and Opportunity Through HOPE Act (42 U.S.C. 12870).

(6) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

Subtitle B—Department Reform

CHAPTER 1—SHORT TITLE; FINDINGS; AND PURPOSE

SEC. 10101. SHORT TITLE.

This subtitle may be cited as the ''Back to Basics Education Reform Act''.

SEC. 10102. FINDINGS.

The Congress finds the following:

(1) Principles of federalism embodied in the Constitution of the United States entrust authority over issues of educational policy to the States and the people and a Federal Department of Education is inconsistent with such principles.

(2) Tradition and experience dictate that the governance and management of schools in the United States are best performed by parents, teachers and communities.

(3) The intrusion by the Department of Education into education policy has not benefited the quality of education in this nation.

(4) The Department of Education has weakened the ability of parents to make essential decisions about their children's education and has undermined the capacity of communities to govern their schools.

(5) In the 15 years of its existence, the Department of Education has grown from 130 programs and a budget of $14 billion to over 240 separately authorized programs which cost almost $32 billion annually. Meanwhile, education performance has stagnated or deteriorated.

(6) Since 1980, the year the Federal role in education was elevated to department status, the graduation rate has dropped 1.3 percent. Only 71.2 percent of students who enroll in the ninth grade now graduate from high school.

(7) The Department of Education has fostered over-regulation, standardization, bureaucratization, and litigation in United States education.

(8) The Department of Education expends large amounts of money on its own maintenance and overhead. As an organization, it is inefficient, ill-managed, and wasteful.

(9) Recent tests reflect poor results in mathematics and reading for American students compared with students from other nations.

(10) Only through initiatives led by parents and local communities with the power to act can the United States elevate educational performance toward an acceptable level.

(11) The Department of Education has been hostile to many promising reform ideas.

SEC. 10103. PURPOSES.

The purposes of this subtitle are—

(1) to improve the quality of elementary and secondary and higher education programs in the Nation.

(2) to return the responsibility and authority for education to parents, teachers, communities, students, and States, and provide them greater control over education spending.

(3) to ensure that the Federal Government does not overregulate and interfere in the decisionmaking of parents, local communities, teachers, and students regarding education.

(4) to ensure that Americans are able to compete in the global economy of the 21st century.

CHAPTER 2—ABOLITION OF DEPARTMENT OF EDUCATION

Subchapter A—Transfer of Functions to Office in Department of Health and Human Services

SEC. 10111. ABOLITION OF DEPARTMENT.

The Department of Education is abolished.

SEC. 10112. ESTABLISHMENT AND SUNSET OF OFFICE OF ECONOMIC OPPORTUNITIES IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND TRANSFER OF FUNCTIONS.

(a) ESTABLISHMENT OF OFFICE.—There is established in the Department of Health and Human Services the Office of Economic Opportunities.

(b) DIRECTOR.—

(1) IN GENERAL.—There shall be at the head of the Office a Director for Economic Opportunities, who shall be appointed by the President and confirmed with the advice and consent of the Senate.

The Office shall be administered under the supervision and direction of the Assistant Secretary for the Administration for Families and Children. The Director for Economic Opportunities shall receive compensation at the rate prescribed for level V of the Executive Schedule under section 5315 of title 5, United States Code.

(2) INITIAL APPOINTMENT OF ADMINISTRATOR.—Notwithstanding any other provision of this subtitle or any other law, the President may, at any time after the date of the enactment of this Act, appoint an individual to serve as Director of Economic Opportunities, as such position is established under paragraph (1). An appointment under this paragraph may not be construed to affect the position of Secretary of Education or the authority of the Secretary before the effective date specified in section 10119(a).

(c) DUTIES.—The Director shall be responsible for—

(1) the administration of all functions of the Office pursuant to section 10112 and other provisions of law;

(2) the administration and wind-up of any outstanding obligations of the Federal Government

under any programs terminated or repealed by this subtitle; and

(3) taking such other actions as may be necessary to wind up any outstanding affairs of the Department of Education and the Office.

(d) TRANSFER OF FUNCTIONS.—Except as otherwise provided in this subtitle, the Director shall perform all functions that, immediately before the effective date of this section under section 10119(a), were functions of the Department of Education (or any office of the Department) or were performed by the Secretary of Education or any other officer or employee of the Department in the capacity as such officer or employee.

(e) ABOLITION OF OFFICE.—The Office and all of its functions are abolished effective upon the expiration of the authorization for the programs under its jurisdiction.

SEC. 10113. PRINCIPAL OFFICERS.

(a) DIRECTORS.—There shall be in the Office—

(1) an Assistant Director of Childhood Schooling; and

(2) an Assistant Director of Advanced Schooling.

(b) APPOINTMENT.—Each of the Assistant Directors in the Office of Economic Opportunities shall be appointed by the Secretary of Health and Human Services.

SEC. 10114. CONTINUATION OF SERVICE OF DEPARTMENT OFFICER.

(a) CONTINUATION OF SERVICE OF SECRETARY.—The individual serving as the Secretary of Education on the effective date of this chapter may serve as Director until the date an individual is appointed under this chapter to the position of Director, or until the end of the 120-day period provided for in section 3348 of title 5, United States Code (relating to limitations on the period of time a vacancy may be filled temporarily), whichever is earlier.

(b) COMPENSATION FOR CONTINUED SERVICE.—Any individual who acts as the Director under subsection (a) after the effective date of this chapter and before the first appointment of a person to such position after such date shall be compensated pursuant to section 10112(b)(1) for so serving or acting.

SEC. 10115. REORGANIZATION.

The Secretary of Health and Human Services may allocate or reallocate any function of the Office pursuant to this subtitle among the officers of the Office, and may, in accordance with the transfer of functions by this subtitle, consolidate, alter, or discontinue in the Office any

organizational entities that were entities of the Department of Education, as the Secretary of Health and Human Services considers necessary or appropriate. Notwithstanding any other provision of law, the Secretary of Health and Human Services may not transfer any function or personnel of the Office to any agency outside of the Office.

SEC. 10116. PLAN FOR WINDING UP AFFAIRS.

Not later than the effective date specified in section 10119, the President shall submit to the Congress a plan for winding up the affairs of the Department of Education in accordance with this subtitle.

SEC. 10117. GAO REPORT.

Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Congress a report which shall include recommendations for the most efficient means of achieving, in accordance with this subtitle—

(1) the complete abolition of the Department of Education; and

(2) the termination or transfer or other continuation of functions of the Department of Education.

SEC. 10118. CONFORMING AMENDMENTS.

(a) PRESIDENTIAL SUCCESSION.—Section 19(d)(1) of title 3, United States Code, is amended by striking ''Secretary of Education,''.

(b) EXECUTIVE DEPARTMENTS.—Section 101 of title 5, United States Code, is amended by striking the following item: ''The Department of Education.''.

(c) SECRETARY'S COMPENSATION.—Section 5312 of title 5, United States Code, is amended by striking the following item: ''Secretary of Education.''.

(d) COMPENSATION FOR POSITIONS AT LEVEL II.—Section 5313 of title 5, United States Code, is amended by striking the following item: ''Deputy Secretary of Education.''.

(e) COMPENSATION FOR POSITIONS AT LEVEL III.—Section 5314 of title 5, United States Code, is amended by striking the following item: ''Under Secretary of Education.'';

(f) COMPENSATION FOR POSITIONS AT LEVEL IV.—Section 5315 of title 5, United States Code, is amended—

(1) by striking the following items: ''Assistant Secretaries of Education (10). ''General Counsel, Department of Education. ''Inspector General, Department of Education.'';

(2) by striking the following item: ''Chief Financial Officer, Department of Education.''; and

(3) by striking the following item: ''Liaison for Community and Junior Colleges, Department of Education.''.

(g) COMPENSATION FOR POSITIONS AT LEVEL V.—Section 5316 of title 5, United States Code, is amended by striking the following item: ''Additional officers, Department of Education (4).''.

(h) INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 9(a)(1), by striking subparagraph (D);

(2) in section 11(1), by striking ''Education,''; and

(3) in section 11(2), by striking ''Education,''.

SEC. 10119. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on the date that is one year after the date of enactment of this Act.

(b) INITIAL APPOINTMENT OF DIRECTOR.—The following provisions of this chapter shall take effect on the date of enactment of this Act:

(1) Section 10116.

(2) Section 10117.

SEC. 10120. LIMITATION ON EXPENDITURES.

The amount expended by the United States each fiscal year for the administration of a function transferred by this subtitle shall not exceed 70 percent of the total amount expended for the administration of that function during fiscal year 1995.

CHAPTER 3—EDUCATION PROGRAMS

Subchapter A—Elementary and Secondary Education

PART I—ELEMENTARY AND SECONDARY EDUCATION BLOCK GRANT PROGRAM

SEC. 10131. GOALS OF ELEMENTARY AND SECONDARY EDUCATION BLOCK GRANT PROGRAM.

The Director of the Office of Economic Opportunities under the Administration for Children and Families in the Department of Health and Human Services is authorized to provide the Governor of each State that complies with the requirements of section 10133 a grant in an amount determined under section 10135.

SEC. 10132. PROGRAM AUTHORIZED.

Each State shall, subject to the requirements of this subtitle and appropriations Acts, receive a grant under this subtitle in each fiscal year to carry out the purposes of this subtitle.

SEC. 10133. STATE ELIGIBILITY.

(a) IN GENERAL.—To be eligible to receive a grant under this subtitle, a State shall submit an application to the Director of Economic Opportunities which contains the assurances required by this chapter. Such application must be submitted at such time, in such form and manner as the Director may reasonably require.

(b) ASSURANCES.—Such application shall include the following assurances:

(1) IMPROVE EDUCATION.—The Governor shall use funds received to improve education.

(2) DISTRIBUTION.—The Governor shall establish a procedure to distribute funds to local educational entities or to provide services to children attending local educational entities.

(3) ASSURANCES FROM LOCAL EDUCATIONAL ENTITIES.—The Governor shall require a local educational entity that seeks funds under this chapter to provide assurances that—

(A) funds will be used to improve education;

(B) parents, members of the community, and community leaders will be involved in decisionmaking at the local level; and

(C) such entity that receives funds under this chapter will comply with Federal civil rights laws.

SEC. 10134. GENERAL STATE REQUIREMENTS.

(a) FUNDS FOR LOCAL USE.—

(1) IN GENERAL.—Not less than 98 percent of the amount of funds received by a State under this chapter shall be made available to local educational entities.

(2) LOCAL DISCRETION.—A local educational entity that receives funds from a State will have the discretion to spend funds received from the State to develop programs that improve education.

(b) ADMINISTRATIVE COSTS.—Not more than 2 percent of funds received under this chapter may be used by a State or a local educational entity for administrative purposes.

SEC. 10135. AMOUNT OF STATE ALLOTMENT.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), there shall be allotted to each State, which for purposes of this section shall not include the territories, an amount which bears the same ratio to the amount of funds appropriated for this chapter in any fiscal year as the population of children, aged 5 through 17

years of age, of such State bears to the population of such children of all the States.

(b) STATE MINIMUM.—Of the total amount appropriated to carry out this subtitle in any fiscal year each State shall receive not less than one quarter of one percent of such amounts.

(c) SET ASIDE FOR TERRITORIES.—Of the amount allotted under subsection (a), the Director shall allot not more than one quarter of one percent among Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Virgin Islands.

SEC. 10136. LOCAL FISCAL ACCOUNTABILITY.

A local educational entity that receives funds from a State under this subtitle in any fiscal year shall be required to make reasonably available—

(1) a proposed budget regarding how such funds shall be used; and

(2) an accounting of the actual use of such funds at the end of such entity's fiscal year.

SEC. 10137. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) SECULAR, NEUTRAL, NONIDEOLOGICAL.—Any educational services or other benefits, including materials and equipment, provided to children enrolled in private schools shall be secular, neutral, and nonideological.

(b) BYPASS.—

(1) IN GENERAL.—If under law a State is prohibited from providing for the participation under this chapter of eligible children enrolled in private elementary and secondary schools, the Office of Economic Opportunities, at the request of the Governor, shall arrange for services for such children to the extent consistent with the number of eligible children identified under section 10135 in a local educational agency who are enrolled in private elementary and secondary schools.

(2) EQUITABLE SERVICES.—Services provided under this section shall be equitable in comparison to services and other benefits provided for public school children participating in programs under this chapter.

(3) REDUCTION.—The amount of funds appropriated to the State pursuant to section 10135 shall be reduced by the amount necessary to carry out this section.

SEC. 10138. DEFINITIONS.

Except as otherwise provided, for the purposes of this subtitle, the following terms have the following meanings:

(1) DIRECTOR.—The term ''Director'' means the Director of Economic Opportunities under the

Administration for Children and Families in the Department of Health and Human Services.

(2) LOCAL EDUCATIONAL ENTITY.—The term ''local educational entity'' means a local educational agency or public or a private elementary or secondary school.

(2) 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.

SEC. 10139. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $9,000,000,000 for each of the fiscal years 1998 through 2000 to carry out the programs authorized under this subtitle.

PART II—OTHER ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

SEC. 10141. AMENDMENTS AND REPEALS OF CERTAIN EDUCATION PROVISIONS.

(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(1) IN GENERAL.—Titles I, II, III, IV, V, VI, VII, X, XI, XII, XIII, XIV, and parts B and C of

title IX of the Elementary and Secondary Education Act of 1965 are repealed.

(2) IMPACT AID.—(A) Section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) is amended by striking subsection (e) of such section.

(B) Except as provided under subparagraph (A), the programs provided under title VIII of the Elementary and Secondary Education Act of 1965 shall be administered by the Department of Defense through the Assistant Secretary for Force Management Policy.

(3) INDIAN EDUCATION.—Part A of title IX of the Elementary and Secondary Education Act of 1965 shall be administered by the Department of the Interior through the Assistant Secretary for Indian Affairs.

(b) GOALS 2000: EDUCATE AMERICA ACT.—Goals 2000: Educate America Act is repealed.

(c) SCHOOL-TO-WORK OPPORTUNITIES ACT.—The School-to-Work Opportunities Act is repealed.

(d) GENERAL EDUCATION PROVISIONS ACT.—Parts D and F, sections 422, 424, 425, 427, 428, 429, 433, 439, and 443, and paragraph (3) of section 431(a) of the General Education Provisions Act are repealed.

(e) NATIONAL EDUCATION STATISTICS ACT OF 1994.—The National Education Statistics Act of 1994 is repealed.

(f) EFFECTIVE DATE.—The repeals and transfers made by subsections (a), (b), (c), and (d) shall take effect on the date that is one year after the date of enactment of this Act.

Subchapter II—Conforming Amendments to the Individuals with Disabilities Education Act

SEC. 10142. AMENDMENTS TO PROVISIONS REFERENCING SECRETARY OF EDUCATION AND DEPARTMENT OF EDUCATION.

(a) TRANSFER OF AUTHORITY FROM SECRETARY OF EDUCATION TO SECRETARY OF HEALTH AND HUMAN SERVICES.—The Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) is amended in sections 602(a)(14), 611(f), and 684(b)(5) by striking ''Secretary of Education'' each place such term appears and inserting ''Secretary of Health and Human Services''.

(b) TRANSFER OF AUTHORITY FROM DEPARTMENT OF EDUCATION TO DEPARTMENT OF HEALTH AND HUMAN SERVICES.—The Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) is amended in sections 610 and 621(a)(3) by striking ''Department of

Education'' each place such term appears and inserting ''Department of Health and Human Services''.

SEC. 10143. AMENDMENTS TO DEFINITIONS.

(a) DEFINITION OF EXCESS COSTS.—Subparagraph (A) of section 602(a)(21) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(21)(A)) is amended to read as follows:

''(A) amounts received—

''(i) under this part, or

''(ii) under subchapter I of chapter 3 of the Back to Basics Education Act, and''.

(b) DEFINITION OF NATIVE LANGUAGE.—Paragraph (22) of section 602(a) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(22)) is amended to read as follows:

''(22) The term 'native language', when used with reference to an individual of limited-English proficiency, means the language normally used by the individual, or in the case of an individual aged 3 through 21, the language normally used by the parents of the individual.''.

SEC. 10144. TRANSFER OF ADMINISTERING AUTHORITY TO OFFICE OF ECONOMIC OPPORTUNITIES.

The Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) is amended—

(1) by striking section 603 and inserting the following:

''OFFICE OF ECONOMIC OPPORTUNITIES

''SEC. 603. The Secretary of Health and Human Services, acting through the Director for Economic Opportunities, shall administer and carry out this subtitle. The Office of Economic Opportunities shall be the principal agency in the Department of Health and Human Services for administering and carrying out programs and activities concerning the education and training of individuals with disabilities.'';

(2) in section 621(f)(1), by striking ''Office of Special Education Programs'' and inserting ''Office of Economic Opportunities''; and

(3) in section 685(b)(1), by striking ''Office of Special Education Programs;'' and inserting ''Office of Economic Opportunities;''.

SEC. 10145. OUTREACH SERVICES FOR CERTAIN INSTITUTIONS OF HIGHER EDUCATION.

Subclause (II) of section 610(j)(2)(C)(ii) of the Individuals with Disabilities Education Act (20 U.S.C. 1409(j)(2)(C)(ii)(II)) is amended to read as follows:

''(II) institutions of higher education which have an enrollment with includes a substantial percentage of needy students (as determined by the Director) and the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;''.

Subchapter III—Higher Education Programs

PART I—ELIMINATION AND REDUCTION OF PROGRAMS

SEC. 10151. REPEAL OF HIGHER EDUCATION LAWS.

(a) IN GENERAL.—Except as provided in subsection (b) and (c), the Higher Education Act of 1965 (20 U.S.C. 1001) is repealed effective one year after the date of the enactment of this Act.

(b) EXCEPTIONS.—Subsection (a) shall not apply to the following:

(1) The first section, containing the short title of such Act.

(2) Subpart 1 of part A of title IV, relating to Pell Grants.

(3) Part B of such title, relating to the Federal Family Education Loan Program.

(4) Part E of such title, relating to Perkins Loans.

(5) Parts F, G, and H of such title, relating to needs analysis, general provisions, and the program integrity triad.

(6) Section 1201, relating to definitions.

(c) CONTINUING AUTHORITY TO COLLECT LOANS.—Subsection (a) shall not affect the authority of the United States to collect any loan made under any provision repealed by such subsection.

(d) PERKINS LOANS.—Section 461(b) of the Higher Education Act of 1965 is amended to read as follows:

''(b) CONTRIBUTIONS DISCONTINUED.—No funds are authorized to be appropriated for fiscal year 1996 or any succeeding year for the purpose of making contributions to student loan funds established under this part.''.

(e) LIMITATION ON FUNDS FOR HOWARD UNIVERSITY.—Section 8 of the Act of March 2, 1867 is amended—

(1) by inserting ''(a)'' after ''SEC. 8.''; and

(2) by adding at the end the following new subsection:

''(b) Notwithstanding subsection (a) and any provision of the Howard University Endowment Act, the total amount that is authorized to be appropriated pursuant to this section and such Endowment Act shall not exceed the total amount appropriated pursuant to this section and such Endowment Act for fiscal year 1995, and of such total amount—

''(1) not less than 30 percent of the amount appropriated for fiscal year 1998 shall be appropriated for purposes of such Endowment Act;

''(2) not less than 60 percent of the amount appropriated for fiscal year 1999 shall be appropriated for purposes of such Endowment Act; and

''(3) not less than 100 percent of the amount appropriated for fiscal year 2000 shall be appropriated for purposes of such Endowment Act.

Notwithstanding subsection (a) and any provision of the Howard University Endowment Act, no funds are authorized to be appropriated pursuant to this section or such Endowment Act for fiscal year 2001 or any succeeding fiscal year.''.

SEC. 10152. AMENDMENT TO THE FEDERAL CREDIT REFORM ACT.

(a) AMENDMENT.—Section 502(5)(B) of the Congressional Budget Act is amended to read as follows:

''(B) The cost of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following cash flows for the estimated life of the loan—

''(i) loan disbursements;

''(ii) repayments of principal;

''(iii) payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties and other recoveries; and

''(iv) in the case of a direct loan made pursuant to a program for which the Office of Management and Budget estimates that for the coming fiscal year (or for any prior fiscal year) loan commitments will equal or exceed $5,000,000,000, direct expenses, including but not limited to the following: expenses arising from activities related to credit extension; loan origination; loan servicing; technical assistance; training; program promotion; payments to contractors, other government entities, and program participants; collection of delinquent

loans; and write-off and close-out of loans.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to all fiscal years beginning on or after October 1, 1995, and to statutory changes made on or after the date of enactment of this Act.

SEC. 10153. SALE OF FDSL LOAN PORTFOLIOS.

The Higher Education Act of 1965 Act (20 U.S.C. 1087h) is amended by inserting after section 458 the following new section:

''SEC. 459. SALE OF FEDERAL DIRECT STUDENT LOAN PORTFOLIOS.

''(a) AUCTION SALES OF LOAN PORTFOLIOS.—The Secretary shall conduct auctions to sell the outstanding portfolio of loans made pursuant to this part. Such auctions shall consist of sales of portfolios representative of the overall characteristics of the direct loans held by the Secretary. Auctions shall be held for portfolios of not less than $40,000,000 of loans per sale. The first sale of loans shall take place not later than 120 days after the date of enactment of this section, and shall not include Federal guarantees or reinsurance against the contingency of borrower default, death, or disability.

''(b) LOAN TERMS SUBJECT TO PROMISSORY NOTE.—Such loans shall be subject to the terms and con-

ditions as specified in the borrower promissory note, and shall not be subject to further Federal regulations pursuant to this subtitle.

''(c) DISPOSITION OF PROCEEDS.—All proceeds received as a result of the auctions conducted pursuant to this part shall be returned to the United States Department of the Treasury after deduction of expenses incurred by the Department of Education in connection with the auctions required pursuant to this section.''.

SEC. 10154. STUDENT LOAN PROGRAM; STATEMENT OF POLICY.

The Congress finds that the Federal student loan programs should be reviewed to evaluate whether reforms need to be made to the programs based on the principles of risk sharing, market-based orientation, privatization, and deregulation.

SEC. 10155. ELIMINATION OF IN-SCHOOL INTEREST SUBSIDIES.

(a) GUARANTEED LOANS.—Section 428(a) of the Higher Education Act of 1965 (20 U.S.C. 1078(a)) is amended by adding at the end the following new paragraph:

''(8) TERMINATION OF INTEREST SUBSIDIES.—Notwithstanding paragraph (3), no portion of the interest shall be paid by the Secretary under this sub-

section on any loan made on or after October 1, 1995. Interest on the unpaid principal amount of any such loan—

''(A) which accrues prior to the beginning of the repayment period of the loan, or

''(B) which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (b)(1)(M) of this section or in section 427(a)(2)(C),

shall, at the option of the borrower—

''(i) be paid monthly or quarterly, or

''(ii) be added by the lender to the principal amount of the loan at the commencement of the repayment period.''.

PART II—HIGHER EDUCATION BLOCK GRANT

SEC. 10161. PURPOSE.

It is the purpose of this part to authorize block grants to States to assist institutions of higher education in order to improve access to higher education and to improve the quality of educational programs.

SEC. 10162. DISTRIBUTION OF FUNDS.

(a) IN GENERAL.—From the funds appropriated under section 10165, the Director shall allocate to the Governor of each State that has submitted the assurances

required by section 10163 an amount that bears the same ratio to the amount so appropriated as the number of students enrolled in institutions of higher education in such State bears to the total number of students so enrolled in all the States.

(b) EXCEPTION FOR SMALL STATES.—Notwithstanding subsection (a), no State shall be allocated less than 0.25 percent of the funds appropriated under section 10165.

(c) DETERMINATION OF NUMBER OF STUDENTS.—The Director shall determine the number of students in each State on the basis of a certification from the Governor of each State.

SEC. 10163. STATE ASSURANCES.

Any State seeking to obtain an allocation under section 10162 shall submit to the Director an application that contains the following assurances:

(1) The Governor of such State will establish a procedure for the distribution of funds to participating institutions of higher education.

(2) The Governor will use the funds obtained under this part only for the improvement of higher education.

(3) The Governor will require each participating institution to submit assurances to the State that

they will use funds obtained under this part only for the improvement of higher education.

(4) The Governor will require each participating institution to submit assurances that the institution will comply with Federal civil rights laws.

SEC. 10164. USE OF FUNDS.

(a) IN GENERAL.—Any funds obtained by a participating institution under this part may, subject to the provisions of this part, be used for any existing or new program.

(b) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 2 percent of the funds allocated to any State or institution under this chapter may be used for administrative costs.

SEC. 10165. PUBLIC DISCLOSURE.

Institutions receiving funding under this chapter shall make reasonably available to the community, parents, and students a listing of the uses of such funds.

SEC. 10166. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subtitle $2,000,000,000 for each of fiscal years 1998 through 2000.

SEC. 10167. DEFINITIONS.

As used in this subtitle—

(1) unless otherwise provided, the terms used in this part that are defined in section 1201 of the Higher Education Act of 1965 have the meanings provided in such section;

(2) the term ''State'' means the several States and the District of Columbia; and

(3) the term ''Director'' means the Director of Economic Opportunities in the Department of Health and Human Services.

Subchapter IV—Miscellaneous Provisions

SEC. 10171. CONSTRUCTION.

Notwithstanding the provisions of this subtitle, nothing in this subtitle shall be construed to affect continued funding for Galludet University, the American Printing House for the Blind, or the National Institute for the Deaf at fiscal year 1995 levels through fiscal year 2000.

SEC. 10172. REGULATIONS.

For purposes of this chapter, the Secretary of Health and Human Services shall consult with Congress before issuing regulations regarding the grants provided under part I of subchapter A and part II of subchapter C of this chapter and shall only issue regulations that are necessary for the timely distribution of funds to the States.

SEC. 10173. CONSOLIDATED APPLICATION.

The Secretary of Health and Human Services shall provide for a consolidated application for grants provided under part I of subchapter A and part II of subchapter C of this chapter. Consolidated applications also shall be permitted at the local level.

SEC. 10174. APPROPRIATIONS.

The amount that is authorized to be appropriated for programs under part II of subchapter A, subchapter B, and part I of subchapter C shall not exceed the amount appropriated for such programs for fiscal year 1995. Such programs shall be authorized through fiscal year 2000.

SEC. 10175. FEDERAL CIVIL RIGHTS.

(a) IN GENERAL.—

(1) APPLICABILITY.—Nothing in this chapter shall be construed to affect the applicability of civil rights laws relating to any program established, transferred, or consolidated under this subtitle.

(2) DUTIES.—The Secretary of Health and Human Services shall be responsible for carrying out any other civil rights functions performed by the Secretary of Education as such functions were performed on the day before the date of the enactment of this Act.

(b) HEALTH AND HUMAN SERVICES.—The Director of the Office of Civil Rights of the Department of Health

and Human Services shall submit a report annually to the Secretary of Health and Human Services, the President, and the appropriate committees of Congress summarizing the compliance and enforcement activities of the Office of Civil Rights as such activities pertain to the Office of Economic Opportunities. The report shall identify significant civil rights or compliance problems for which the Office of Civil Rights has made a recommendation for corrective action and which, in the judgment of the Director of the Office of Civil Rights, adequate progress is not being made.

(c) DEPARTMENT OF JUSTICE.—The Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice shall submit annually a report to the Attorney General, the President, and the appropriate committees of Congress summarizing the activities of the Civil Rights Division as such activities pertain to the grantees of programs authorized by this subtitle.

CHAPTER 4—GENERAL PROVISIONS

SEC. 10181. REFERENCES.

Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to an office from which a function is transferred by this subtitle—

(1) to the Secretary of Education or an officer of the Department of Education, is deemed to refer to the head of the department or office to which such function is transferred; or

(2) to the Department of Education is deemed to refer to the department or office to which such function is transferred.

SEC. 10182. EXERCISE OF AUTHORITIES.

Except as otherwise provided by law, a Federal official to whom a function is transferred by this subtitle may, for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the transfer of the function under this subtitle.

SEC. 10183. SAVINGS PROVISIONS.

(a) LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Secretary of Education, any officer or employee of any office transferred by this subtitle, or any other Government official, or by a court of competent jurisdic-

tion, in the performance of any function that is transferred by this subtitle, and

(2) that are in effect on the date of such transfer (or become effective after such date pursuant to their terms as in effect on the date of such transfer), shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(b) PROCEEDINGS.—This subtitle shall not affect any proceedings or any application for any benefits, service, license, permit, certificate, or financial assistance pending on the effective date of this chapter with respect to a function transferred by this subtitle, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subtitle had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to

the same extent that such proceeding could have been discontinued or modified if this subtitle had not been enacted.

(c) SUITS.—This subtitle shall not affect suits commenced before the effective date of this chapter and in all such suits, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subtitle had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Education or the Secretary of Education, or by or against any individual in the official capacity of such individual as an officer or employee of an office transferred by this subtitle, shall abate by reason of the enactment of this Act.

(e) CONTINUANCE OF SUITS.—If, before the effective date of this chapter, any officer of the Department of Education in the official capacity of such officer is party to a suit with respect to a function of the officer, and under this subtitle such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

SEC. 10184. TRANSFER OF ASSETS.

Except as otherwise provided in this subtitle, so much of the personnel, property, records, and unexpended bal-

ances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with a function transferred to an official by this subtitle shall be available to the official at such time or times as the President directs for use in connection with the functions transferred.

SEC. 10185. DELEGATION AND ASSIGNMENT.

Except as otherwise expressly prohibited by law or otherwise provided in this subtitle, an official to whom functions are transferred under this subtitle (including the head of any office to which functions are transferred under this subtitle) may delegate any of the functions so transferred to such officers and employees of the office of the official as the official may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this section or under any other provision of this subtitle shall relieve the official to whom a function is transferred under this subtitle of responsibility for the administration of the function.

SEC. 10186. AUTHORITY OF OFFICE OF MANAGEMENT AND BUDGET WITH RESPECT TO FUNCTIONS TRANSFERRED.

(a) DETERMINATIONS.—If necessary, the Director of the Office of Management and Budget shall make any de-

termination of the functions that are transferred under this subtitle.

(b) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this subtitle, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subtitle. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subtitle and for such further measures and dispositions as may be necessary to effectuate the purposes of this subtitle.

SEC. 10187. PROPOSED CHANGES IN LAW.

Not later than 90 days before the effective date specified in section 10119, the Director of the Office of Management and Budget shall submit to the Congress a description of any changes in Federal law necessary to reflect abolishments, transfers, terminations, and disposals under this subtitle.

SEC. 10188. DEFINITION OF TRANSFER.

For purposes of this chapter, the vesting of a function in a department or office pursuant to reestablishment of an office shall be considered to be the transfer of the function.

SEC. 10189. DEFINITIONS.

For purposes of this chapter, the following definitions shall apply:

(1) DIRECTOR.—The term ''Director'' means the Director for Economic Opportunities in the Administration for Families and Children in the Department of Health and Human Services, established under section 10112(a).

(2) FUNCTION.—The term ''function'' includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(3) OFFICE.—The term ''Office'' means the Office of Economic Opportunities in the Department of Health and Human Services, established under section 10112(a).

CHAPTER 5—STATEMENTS OF POLICY

SEC. 10191. STATEMENT OF POLICY REGARDING FEDERAL EDUCATION FUNDING.

Congress finds that there should be a review and evaluation as to the feasibility of further enhancing the ability of States and local communities to fund education by re-

ducing the Federal tax burden and commensurately eliminating Federal Government involvement in providing grants for education programs.

SEC. 10192. STATEMENT OF POLICY REGARDING JOB TRAINING PROGRAMS.

The Congress finds that all job training programs under the jurisdiction of the Department of Education—

(1) should be reviewed and transferred to the Department of Labor; and

(2) should be consolidated into 1 or more block grants.

SEC. 10193. STATEMENT OF POLICY REGARDING INDIAN EDUCATION.

Congress finds that any program transferred as a result of this subtitle to the Department of the Interior should be reviewed by Congress to ensure that such programs benefit Native American children that live on reservations.

Subtitle C—Elementary and Secondary Education Reforms

SEC. 10201. ELIMINATION OF IMPACT AID.

(a) IN GENERAL.—Title VIII of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7701 et seq.) is hereby repealed.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1995, or the date of the enactment of this Act, whichever occurs later.

SEC. 10202. EISENHOWER REGIONAL MATHEMATICS AND SCIENCE EDUCATION CONSORTIA.

Title XIII of the Elementary and Secondary Education Act of 1965 is amended by striking part C.

SEC. 10203. LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Part A of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) is amended by adding at the end the following:

''LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS

''SEC. 610A. Notwithstanding any other provision of this title, the aggregate amount of funds authorized to be appropriated to carry out this title may not exceed $3,252,846,000 for each of the fiscal years 1996 through 2000.''.

SEC. 10204. EDUCATION IMPROVEMENT.

Not more than $320,298,000 may be made available to carry out the Eisenhower Professional Development State Grant program under title II of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10205. INNOVATIVE EDUCATION PROGRAM STRATEGIES.

Not more than $347,250,000 may be available to carry out State grant programs under title VI of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10206. SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES.

(a) STATE GRANTS.—Not more than $456,962,000 may be available to carry out State grant programs under subpart 1 of part A of title IV of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

(b) NATIONAL PROGRAMS.—Not more than $25,000,000 may be available to carry out National programs under subpart 2 of part A of title IV of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10207. EDUCATION INFRASTRUCTURE.

Not more than $100,000,000 may be made available to carry out education infrastructure programs under title XII of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10208. INEXPENSIVE BOOK DISTRIBUTION.

Not more than $10,300,000 may be made available to carry out the Inexpensive Book Distribution program under part E of title X of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10209. ARTS IN EDUCATION.

Not more than $12,000,000 may be made available to carry out the Arts in Education Program under part D of title X of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10210. CHRISTA McAULIFFE SCHOLARSHIPS.

Not more than $1,946,000 may be made available to carry out Christa McAuliffe Scholarships by the Department of Education for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10211. MAGNET SCHOOLS ASSISTANCE.

Not more than $111,519,000 may be made available to carry out the Magnet Schools Assistance program under part A of title V of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10212. EDUCATION FOR HOMELESS CHILDREN AND YOUTH.

Not more than $28,811,000 may be made available to carry out Education for Homeless Children and Youth programs under subtitle B of title VII of the Stewart B. McKinney Homeless Assistance Act for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10213. WOMEN'S EDUCATIONAL EQUITY.

Not more than $3,967,000 may be made available to carry out the Women's Educational Equity programs under part B of title V of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10214. TRAINING AND ADVISORY SERVICES.

Not more than $21,419,000 may be made available to the Department of Education to carry out the Training and Advisory services under title IV–A of the Civil Rights Act for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10215. DROPOUT DEMONSTRATIONS.

Not more than $28,000,000 may be made available to carry out the School Dropout program under part C of title V of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10216. TRAINING IN EARLY CHILDHOOD EDUCATION AND VIOLENCE COUNSELING.

Not more than $13,875,000 may be made available to the Department of Education to carry out Early Childhood Education and Violence Training programs for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10217. CHARTER SCHOOLS.

Not more than $6,000,000 may be made available to carry out the Charter Schools program under part C of title X of the Elementary and Secondary Education Act of 1965 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 10218. AUTHORIZED ACTIVITIES.

Part A of title II of the Elementary and Seconday Education Act of 1965 is amended by striking section 2101.

SEC. 10219. PROFESSIONAL DEVELOPMENT DEMONSTRATION PROJECT.

Title II of the Elementary and secondary Education Act of 1965 is amended by striking part C.

SEC. 10220. IMMIGRANT EDUCATION.

Title VII of the Elementary and Secondary Education Act of 1965 is amended by striking parts B and C.

SEC. 10221. EDUCATION FOR NATIVE HAWAIIANS.

Title IX of the Elementary and Secondary Education Act of 1965 is amended by striking part B.

SEC. 10222. PROGRAMS OF NATIONAL SIGNIFICANCE.

Title X of the Elementary and Secondary Education Act of 1965 is amended by striking parts A, G, and H.

SEC. 10223. LAW-RELATED EDUCATION.

Part F of title X of the Elementary and Secondary Education Act of 1965 is amended by striking section 10602.

SEC. 10224. PUBLIC LIBRARY CONSTRUCTION.

Title III of the Improving America's Schools Act of 1994 is amended by striking part G.

SEC. 10225. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.

Title IV of the Improving America's Schools Act of 1994 is amended by striking section 411.

Subtitle D—Community Program Reforms

SEC. 10301. REPEAL OF THE NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965.

(a) REPEAL OF THE NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965.—The National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951–60) is repealed.

(b) TRANSITION PROVISIONS.—The Director of the Office of Management and Budget shall provide for the termination of the affairs of the Federal entities terminated by the repeal made by subsection (a), including the appropriate transfer or other disposition of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with implementing the authorities terminated by the repeal made by subsection (a).

(c) EFFECTIVE DATE.—This section shall take effect on October 1, 1995.

SEC. 10302. REPEAL OF NATIONAL AND COMMUNITY SERVICE ACT OF 1990, DOMESTIC VOLUNTEER SERVICE ACT OF 1973, AND RELATED PROVISIONS.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Effective October 1, 1995, the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is repealed.

(b) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—Effective October 1, 1995, the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) is repealed.

(c) PUBLIC LANDS CORPS.—Effective October 1, 1995, title II of Public Law 91–378 (16 U.S.C. 1721 et seq.), as added by section 105 of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 848), is repealed.

(d) URBAN YOUTH CORPS.—Effective October 1, 1995, section 106 of the National and Community Service Trust Act of 1993 (42 U.S.C. 12656) is repealed.

(e) NATIONAL GUARD CIVILIAN YOUTH OPPORTUNITIES PILOT PROGRAM.—Effective October 1, 1995, section 1091 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 32 U.S.C. 501 note) is repealed.

(f) EFFECT OF REPEAL.—Upon the repeal of the provisions specified in this section, the President shall assign to an agency of the United States the responsibility for liquidating the affairs of the entities or activities eliminated as a result of the repeal. The property, records, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the eliminated entities and activities shall be transferred to such agency. The repeal of such provisions shall not affect any obligation incurred by the eliminated entities and activities before October 1, 1995, and the agency responsible for liquidating the affairs of the eliminated entities and

activities shall satisfy such obligations, subject to the same terms and conditions that would apply in the absence of the repeal.

SEC. 10303. REPEAL OF THE MUSEUM SERVICES ACT.

(a) REPEALER.—Title II of the Arts, Humanities, and Cultural Affairs Act of 1976 (20 U.S.C. 961–969) is repealed.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on October 1, 1995.

SEC. 10304. TERMINATE FEDERAL FUNDING FOR THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS.

Section 12 of the John F. Kennedy Center Act (20 U.S.C. 76r) is repealed.

SEC. 10305. REPEAL OF THE OLDER AMERICANS COMMUNITY SERVICE EMPLOYMENT ACT.

(a) REPEALER.—Title V of the Older Americans Act of 1965 (42 U.S.C. 3056–3056i) is repealed.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on October 1, 1995.

SEC. 10306. CONSOLIDATION OF CERTAIN SOCIAL SERVICE PROGRAMS.

(a) AMENDMENT TO TITLE XX OF THE SOCIAL SECURITY ACT.—

(1) PAYMENTS TO STATES.—Section 2002(a)(2) of the Social Security Act (40 U.S.C. 1397a(a)(2)) is amended—

(A) in subparagraph (A)—

(i) by inserting ‘‘, services to meet housing and energy needs,’’ after ‘‘health support services’’, and

(ii) by striking ‘‘and’’ at the end,

(B) in subparagraph (B)—

(i) in clause (ii) by striking ‘‘and’’ at the end,

(ii) in clause (iii) by striking the period at the end and inserting ‘‘; and’’, and

(iii) by inserting after clause (iii) the following:

‘‘(iv) activities—

‘‘(I) to plan, develop, establish, expand, improve, or operate before- and after-school child care programs for school-age children, and resource and referral systems that provide information on dependent care services; and

‘‘(II) to improve the quality of child care, and to increase the avail-

ability of early childhood development and before- and after-school child care services.''.

(2) ALLOTMENTS.—Section 2003(c) of the Social Security Act (40 U.S.C. 1397b(c)) is amended—

(A) in paragraph (4) by striking ''and'' at the end,

(B) in paragraph (5) by striking ''each fiscal year after fiscal year 1989.'' and inserting ''each of the fiscal years 1990, 1991, 1992, 1993, 1994, and 1995; and

(C) by adding at the end the following:

''(6) $4,009,379,000 for fiscal year 1996.''.

(b) REPEALERS.—

(1) COMMUNITY SERVICES BLOCK GRANT ACT.—Subtitle B of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9901–9912) is repealed.

(2) CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT.—Subchapter C of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9858–9858S) is repealed.

(3) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconcili-

ation Act of 1981 (42 U.S.C. 9871–9877) is repealed.

(c) EFFECTIVE DATE.—Subsections (a) and (b) shall take effect on October 1, 1995.

SEC. 10307. AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965.

(a) FEDERAL COUNCIL ON THE AGING.—Section 204(g) of the Older Americans Act of 1965 (42 U.S.C. 3015(g)) is amended—

(1) by striking ''are'' and inserting ''is'', and

(2) by striking ''$300,000'' and all that follows through ''1995'', and inserting ''$176,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(b) AUTHORIZATION OF APPROPRIATIONS FOR TITLE II OF THE ACT.—Section 215 of the Older Americans Act of 1965 (42 U.S.C. 3020f) is amended—

(1) in subsection (a) by striking ''such sums'' and all that follows through ''1995'', and inserting ''$16,524,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000'', and

(2) in subsection (b) by amending paragraph (1) to read as follows:

''(1) $29,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000; and''.

(c) AUTHORIZATION OF APPROPRIATIONS FOR TITLE III OF THE ACT.—

(1) SUPPORTIVE SERVICES AND SENIOR CENTERS.—Section 303(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3023(a)(1)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$461,376,000'' and all that follows through ''1995'', and inserting ''$306,711,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(2) CONGREGATE NUTRITION SERVICES.—Section 303(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3023(b)(1)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$505,000,000'' and all that follows through ''1995'', and inserting ''$375,809,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(3) HOME-DELIVERED NUTRITION SERVICES.—Section 303(b)(2) of the Older Americans Act of 1965 (42 U.S.C. 3023(b)(2)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$120,000,000'' and all that follows through ''1995'', and inserting ''$93,665,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(4) SCHOOL-BASED MEALS FOR VOLUNTEERS.—Section 303(b)(3) of the Older Americans Act of 1965 (42 U.S.C. 3023(b)(3)) is amended-

(1) by striking ''are'' and inserting ''is'', and

(2) by striking ''fiscal year 1992'' and all that follows through ''1995'', and inserting ''for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(5) IN-HOME SERVICES.—Section 303(d) of the Older Americans Act of 1965 (42 U.S.C. 3023(d)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$45,388,000'' and all that follows through ''1995'', and inserting ''$7,075,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(6) SPECIAL NEEDS.—Section 303(e) of the Older Americans Act of 1965 (42 U.S.C. 3023(e)) is amended by striking ''1992'' and all that follows

through ''1995'', and inserting ''1996, 1997, 1998, 1999, and 2000''.

(7) PREVENTIVE HEALTH, HEALTH EDUCATION, AND PROMOTION.—Section 303(f) of the Older Americans Act of 1965 (42 U.S.C. 3023(f)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$25,000,000'' and all that follows through ''1995'', and inserting ''$16,982,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(8) SUPPORTIVE ACTIVITIES FOR CARETAKERS.—Section 303(g) of the Older Americans Act of 1965 (42 U.S.C. 3023(g)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''fiscal year 1992'' and all that follows through ''1995'', and inserting ''each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(9) PURCHASE OF AGRICULTURAL COMMODITIES FOR NUTRITION SERVICES.—Section 311(c)(1)(A) of the Older Americans Act of 1965 (42 U.S.C. 3030a(c)(1)(A)) is amended—

(A) by striking ''are'' and inserting ''is'',

(B) by striking ''$250,000,000'' and all that follows through ''1994, and'', and

(C) by striking ''fiscal year 1995'' and inserting ''each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(d) AUTHORIZATION OF APPROPRIATIONS FOR TITLE IV OF THE ACT.—

(1) TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS.—Section 431(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3037(a)(1)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$72,000,000'' and all that follows through ''1995'', and inserting ''$25,735,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(2) TRAINING.—Section 431(b) of the Older Americans Act of 1965 (42 U.S.C. 3037(b)) is amended by striking ''1992'' and all that follows through ''1995'', and inserting ''1996, 1997, 1998, 1999, and 2000''.

(e) AUTHORIZATION OF APPROPRIATIONS FOR TITLE VI OF THE ACT.—Section 633(a) of the Older Americans Act of 1965 (42 U.S.C. 3037n(a)) is amended—

(1) by striking ''are'' and inserting ''is'', and

(2) by striking ''$30,000,000'' and all that follows through ''1995'', and inserting ''$16,902,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(f) AUTHORIZATION OF APPROPRIATIONS FOR TITLE VII OF THE ACT.—

(1) OMBUDSMAN PROGRAM.—Section 702(a) of the Older Americans Act of 1965 (42 U.S.C. 3058a(a)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$40,000,000'' and all that follows through ''1995'', and inserting ''$4,370,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(2) PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION.—Section 702(b) of the Older Americans Act of 1965 (42 U.S.C. 3058a(b)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$15,000,000'' and all that follows through ''1995'', and inserting

''$4,638,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(3) STATE ELDER RIGHTS AND LEGAL ASSISTANCE DEVELOPMENT PROGRAM.—Section 702(c) of the Older Americans Act of 1965 (42 U.S.C. 3058a(c)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''fiscal year 1992'' and all that follows through ''1995'', and inserting ''each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(4) OUTREACH, COUNSELING, AND ASSISTANCE PROGRAM.—Section 702(d) of the Older Americans Act of 1965 (42 U.S.C. 3058a(d)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''$15,000,000'' and all that follows through ''1995'', and inserting ''$1,976,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(5) NATIVE AMERICAN ORGANIZATION PROVISION.—Section 751(d) of the Older Americans Act of 1965 (42 U.S.C. 3058aa(d)) is amended—

(A) by striking ''are'' and inserting ''is'', and

(B) by striking ''fiscal year 1992'' and all that follows through ''1995'', and inserting ''for each of the fiscal years 1996, 1997, 1998, 1999, and 2000''.

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.

SEC. 10308. TERMINATION OF FUNDING FOR THE CORPORATION FOR PUBLIC BROADCASTING

Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 to 399b), relating to assistance for public telecommunications facilities, telecommunications demonstrations, and the Corporation for Public Broadcasting, is repealed.

Subtitle E—Employment Program Reform

SEC. 10401. TERMINATION OF GENERAL TRADE ADJUSTMENT ASSISTANCE.

(a) TERMINATION OF PROGRAM EXTENSION.—(1) Section 285(c)(1) of the Trade Act of 1974 (19 U.S.C. 2271 preceding note), is amended by striking ''1998'' and inserting ''1995''.

(2) Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by striking ''each of the fiscal

years 1993, 1994, 1995, 1996, 1997, and 1998'' and inserting ''fiscal year 1995''.

(b) CONFORMING AMENDMENT.—Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended by striking '', except that'' and all that follows through ''$70,000,000''.

SEC. 10402. EXTENSION TO ALL STATES OF RULE PROVIDING FOR REDUCTION OF SOCIAL SECURITY DISABILITY INSURANCE BENEFITS UPON RECEIPT OF WORKERS' COMPENSATION BENEFITS.

(a) PREEMPTION OF STATE LAWS REDUCING PERIODIC BENEFITS BY REASON OF ENTITLEMENT TO DISABILITY INSURANCE BENEFITS.—Section 224(d) of the Social Security Act (42 U.S.C. 224a(d)) is amended to read as follows:

''(d) The provisions of this section shall supersede any provision of a law or plan of any State, of any political subdivision (as that term is used in section 218(b)(2)), or of any instrumentality of two or more States (as that term is used in section 218(g)) to the extent that the effect of such provision is to reduce periodic benefits referred to in subparagraph (A) or (B) of subsection (a)(2) of any individual under such law or plan on the basis of the entitlement of such individual to benefits under section 223.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to individuals who first become entitled to benefits under section 223(a) of the Social Security Act for months beginning on or after January 1, 1996.

SEC. 10403. SERVICE CONTRACT ACT OF 1965.

(a) REPEAL.—The Service Contract Act of 1965 (41 U.S.C. 351 et seq.) is repealed.

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract which was entered into before the date of the enactment of this Act and to which the Service Contract Act of 1965 applied.

SEC. 10404. REDUCTION IN OVERHEAD EXPENSES OF DEPARTMENT OF LABOR.

(a) IN GENERAL.—The amount obligated by the Department of Labor during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $67,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

TITLE XI—HEALTH

Subtitle A—Administrative Reform

SEC. 11001. REDUCTION IN OVERHEAD EXPENSES OF DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(a) IN GENERAL.—The amount obligated by the Department of Health and Human Services during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $346,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

Subtitle B—University Research Regarding Health and Other Matters

SEC. 11101. FEDERALLY-SUPPORTED UNIVERSITY RESEARCH; REDUCTION IN RATES FOR INDIRECT COSTS OF RESEARCH.

(a) AUTHORITY OF FEDERAL AGENCIES REGARDING INDIRECT COSTS OF SUPPORTED RESEARCH.—In making an award of financial assistance to an institution of higher education for a fiscal year for a project of research, the head of the Federal agency involved is subject to the following:

(1) The agency head may in accordance with this section authorize the institution to expend a

portion of the award for costs that are indirectly related to the conduct of the project, and are appropriate for the institution to maintain the program or programs of which the project is a part (which costs regarding a project of research are referred to in this section as ''indirect costs'').

(2) The agency head may not make the award for the project unless the institution—

(A) agrees that the award will be expended for the indirect costs of the project only in accordance with determinations made under this section by the agency head regarding the project; and

(B) certifies to the agency head that each award of financial assistance provided by the agency head to the institution for the immediately preceding fiscal year for a project of research was expended in accordance with the determinations made under this section regarding the project.

(b) DIRECT AND INDIRECT COSTS AS TOTAL AMOUNT OF ASSISTANCE.—With respect to a project of research for which the head of a Federal agency is under subsection (a)(1) authorizing an award for a fiscal year to be expended for indirect costs, the total amount of the

award provided for the project for such year shall consist of an amount provided for the direct costs of the project, together with the sum of—

(1) the aggregate amount the agency head determines under subparagraph (A) of subsection (c)(1) for the administrative categories of indirect cost; and

(2) the aggregate amount the agency head determines under subparagraph (B) of such subsection for the nonadministrative categories of such costs.

(c) DETERMINATION OF AMOUNTS FOR ADMINISTRATIVE AND NONADMINISTRATIVE CATEGORIES.—

''(1) IN GENERAL.—With respect to a project of research for which the head of a Federal agency is under subsection (a)(1) authorizing an award for a fiscal year to be expended for indirect costs, the agency head, after consultation with the institution of higher education involved and after consideration of relevant records and materials, shall make a determination of—

''(A) the amount, expressed as a percentage in accordance with paragraph (2), that is authorized to be expended for the administrative categories of indirect cost (determined indi-

vidually for each of such categories or determined in the aggregate for the categories); and

''(B) the amount, expressed as a percentage in accordance with paragraph (2), that is authorized to be made for the nonadministrative categories of indirect cost (determined individually for each of such categories or determined in the aggregate for the categories).

''(2) CATEGORY PERCENTAGES; MODIFIED DIRECT COSTS.—The amounts determined under subparagraphs (A) and (B) of paragraph (1) for a fiscal year with respect to a project of research shall be determined as a percentage of the modified direct costs of the project. The percentage so determined may not exceed the applicable percentage specified in subsection (d), and shall be in effect only during the fiscal year for which the financial assistance involved is provided.

(d) GENERAL LIMITATIONS REGARDING CATEGORY PERCENTAGES.—

(1) REDUCTION IN RATE FOR ADMINISTRATIVE CATEGORIES.—With respect to an award made by the head of a Federal agency to an institution of higher education for a fiscal year for a project of

research, the percentage determined under subsection (c)(2) for the fiscal year for an administrative category of indirect costs may not exceed 90 percent of an amount equal to the mean average of the percentages applicable to the institution for the category for awards by the agency head to the institution for fiscal year 1995.

(2) REDUCTION IN RATE FOR NONADMINISTRATIVE CATEGORIES.—With respect to an award made by the head of a Federal agency to an institution of higher education for a fiscal year for a project of research, the percentage determined under subsection (c)(2) for the fiscal year for a nonadministrative category of indirect costs may not exceed 90 percent of an amount equal to the mean average of the percentages applicable to the institution for the category for awards by the agency head to the institution for fiscal year 1995.

(e) INSTITUTION-SPECIFIC UNIFORM RATES ACROSS AWARDS.—With respect to multiple awards made by the head of a Federal agency to an institution of higher education for a fiscal year for projects of research, the agency head may, for each of the categories of indirect costs (administrative and nonadministrative), determine a single percentage under subsection (c) that will be applicable to

the category for all such awards by the agency head to the institution for the fiscal year. Any such determination is subject to subsection (d).

(f) FAILURE TO COMPLY WITH LIMITATION.—In the case of an institution of higher education making an agreement under subsection (a)(2) regarding expenditures for the indirect costs of a project of research, if the head of the Federal agency involved determines that the institution has made an expenditure in violation of the agreement, the agency head shall recover from the institution an amount equal to the amount of the expenditure, together with an amount representing interest on the amount of such expenditure.

(g) DEFINITIONS.—For purposes of this section:

(1) The term ''administrative categories'', with respect to the indirect costs of a project of research, means the categories of general administration, departmental administration, and administration of the project of research involved (also known as sponsored project administration).

(2) The term ''award'' means an award of financial assistance.

(3) The term ''direct costs'', with respect to a project of research, has the meaning given such term

by the Director of the Office of Management and Budget.

(4) The term ''Federal agency'' means each department, agency or instrumentality of the Federal Government, including an executive agency as defined in section 105 of title 5, United States Code.

(5) The term ''financial assistance'', with respect to a project of research, means a grant, cooperative agreement, or contract.

(6)(A) The term ''indirect cost'', with respect to a project of research, means the costs described in subsection (a)(1), consisting of the 7 categories described in subparagraph (B), as such costs (and categories) are defined in the document issued by the Director of the Office of Management and Budget and designated by such Director as OMB Circular A–21 (or as defined in any document issued by such Director as a successor to OMB Circular A–21), except that such term does not include any cost disallowed for purposes of title 48, Code of Federal Regulations (relating to the Federal Acquisition Regulations System).

(B) The categories referred to in subparagraph (A) are the categories of general administration, departmental administration, administration of the

project of research involved (also known as sponsored project administration), operations and maintenance, student services (in the case of an entity that is an educational institution), libraries (in the case of such an entity), and buildings and equipment.

(7) The term ''institution of higher education'' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965.

(8) The term ''modified direct costs'', with respect to a project of research, has the meaning given such term by the Director of the Office of Management and Budget.

(9) The term ''nonadministrative categories'', with respect to the indirect costs of a project of research, means the categories of operations and maintenance, student services (in the case of an entity that is an educational institution), libraries (in the case of such an entity), and buildings and equipment.

(h) EFFECTIVE DATE.—This section is effective in the case of awards of financial assistance made for fiscal year 1996 or any subsequent fiscal year.

SEC. 11102. REDUCTION IN BUDGET OF NATIONAL INSTITUTES OF HEALTH.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following part:

"PART J—REDUCTION IN BUDGET OF NATIONAL INSTITUTES OF HEALTH

"REDUCTION IN BUDGET

"SEC. 499B. (a) 1995 LEVELS LESS SAVINGS REGARDING INDIRECT COST RATES.—Notwithstanding any other provision of law, the authorizations of appropriations established for carrying out this title for a fiscal year are effective only to the extent that the authorizations for the fiscal year do not, in the aggregate, exceed the following amount, as applicable to the fiscal year: $10,841,598,000 for fiscal year 1996, $10,475,098,000 for fiscal year 1997, $10,109,598,000 for fiscal year 1998, $10,071,098,000 for fiscal year 1999, and $10,032,598,000 for fiscal year 2000.

"(b) PRESUMED PER-PROGRAM AUTHORIZATION LEVEL.—For each of the fiscal years specified in subsection (a), the authorization of appropriations for each program under this title is deemed to be an amount equal to the appropriation made for the program for the preceding fiscal year, unless a provision of this title specifies that this subsection is not applicable to the program.

''(c) PRO RATA REDUCTIONS IN AUTHORIZATIONS.—If the aggregate of the authorizations of appropriations established for carrying out this title for a fiscal year (including authorizations established under subsection (b)) exceeds the amount applicable under subsection (a) to the fiscal year, each such authorization is reduced pro rata by the amount necessary for the aggregate of the authorizations to equal the applicable amount.''.

SEC. 11103. REDUCTION IN HEALTH PROFESSIONS BUDGET OF HEALTH RESOURCES AND SERVICES ADMINISTRATION.

Title VII of the Public Health Service Act (42 U.S.C. 292 et seq.) is amended by adding at the end the following part:

"PART H—REDUCTION IN HEALTH PROFESSIONS BUDGET

"SEC. 799A. PROGRAMS FOR MINORITY AND DISADVANTAGED STUDENTS AS EXCLUSIVE TITLE VII PROGRAMS.

''(a) EFFECT ON OTHER PROGRAMS.—For fiscal year 1996 or any subsequent fiscal year, the authorization of appropriations established in subsection (b) for the fiscal year is the exclusive authorization of appropriations for such year under this title, except as provided in sub-

section (c). The preceding sentence applies notwithstanding any other provision of law.

''(b) AUTHORIZATIONS OF APPROPRIATIONS REGARDING MINORITY AND DISADVANTAGED STUDENTS.—For the purpose of carrying out programs under this title that are designed to increase the enrollment of minority and economically disadvantaged students, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 through 1998.

''(c) EXCEPTION REGARDING FEDERAL RESPONSIBILITIES UNDER PROGRAM FOR HEALTH EDUCATION ASSISTANCE LOANS TO GRADUATE STUDENTS.—Subsection (a) does not apply to the authorization of appropriations established in section 720. The preceding sentence does not provide any credit authority for such program in addition to that provided in section 702.''.

SEC. 11104. CLOSURE OF UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CLOSURE REQUIRED.—Section 2112 of title 10, United States Code, is amended—

(1) in subsection (c)—

(A) by inserting ''and the closure'' after ''The development''; and

(B) by striking out ''subsection (a)'' and inserting in lieu thereof ''subsections (a) and (b)''; and

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

''(b)(1) Not later than September 30, 1998, the Secretary of Defense shall close the University. To achieve the closure of the University by that date, the Secretary shall begin to terminate the operations of the University beginning in fiscal year 1995. On account of the required closure of the University under this subsection, no students may be admitted to begin studies in the University after the date of the enactment of this subsection.

''(2) Section 2687 of this title and any other provision of law establishing preconditions to the closure of any activity of the Department of Defense shall not apply with regard to the termination of the operations of the University or to the closure of the University pursuant to this subsection.''.

(b) FINAL GRADUATION OF STUDENTS.—Section 2112(a) of such title is amended—

(1) in the second sentence, by striking out '', with the first class graduating not later than September 21, 1982.'' and inserting in lieu thereof '',

except that no students may be awarded degrees by the University after September 30, 1998.''; and

(2) by adding at the end the following new sentence: ''On a case-by-case basis, the Secretary of Defense may provide for the continued education of a person who, immediately before the closure of the University under subsection (b), was a student in the University and completed substantially all requirements necessary to graduate from the University.''.

(c) TERMINATION OF UNIVERSITY BOARD OF REGENTS.—Section 2113 of such title is amended by adding at the end the following new subsection:

''(k) The Board shall terminate on September 30, 1998, except that the Secretary of Defense may terminate the Board before that date as part of the termination of the operations of the University under section 2112(b) of this title.''.

(d) PROHIBITION ON RECIPROCAL AGREEMENTS.—Section 2114(e)(1) of such title is amended by adding at the end the following new sentence: ''No agreement may be entered into under this subsection after the date of the enactment of this sentence, and all such agreements shall terminate not later than September 30, 1998.''.

(e) CONFORMING AMENDMENTS.—(1) Section 178 of such title, relating to the Henry M. Jackson Foundation for the Advancement of Military Medicine, is amended—

(A) in subsection (b), by inserting after ''Uniformed Services University of the Health Sciences,'' the following: ''or after the closure of the University, with the Department of Defense,'';

(B) in subsection (c)(1)(B), by striking out ''the Dean of the Uniformed Services University of the Health Sciences'' and inserting in lieu thereof ''a person designated by the Secretary of Defense''; and

(C) in subsection (g)(1), by inserting after ''Uniformed Services University of the Health Sciences,'' the following: ''or after the closure of the University, the Secretary of Defense''.

(2) Section 466(a)(1)(B) of the Public Health Service Act (42 U.S.C. 286a(a)(1)(B)), relating to the Board of Regents of the National Library of Medicine, is amended by striking out ''the Dean of the Uniformed Services University of the Health Sciences,''.

(f) CLERICAL AMENDMENTS.—(1) The heading of section 2112 of title 10, United States Code, is amended to read to read as follows:

"§ 2112. Establishment and closure of University".

(2) The item relating to such section in the table of sections at the beginning of chapter 104 of such title is amended to read as follows:

''2112. Establishment and closure of University.''.

Subtitle C—Medicaid Reforms

SEC. 11201. REDUCTION IN FEDERAL PAYMENTS FOR DISPROPORTIONATE SHARE HOSPITALS.

(a) IN GENERAL.—Section 1923 of the Social Security Act (42 U.S.C. 1396r–4) is amended by adding at the end the following new subsection:

''(h) REDUCTION IN FEDERAL FINANCIAL PARTICIPATION FOR DISPROPORTIONATE SHARE ADJUSTMENTS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the amount of payments under section 1903(a) with respect to any payment adjustment made under this section for hospitals in a State for quarters in a fiscal year shall not exceed the applicable percentage of the amount otherwise determined under subsection (f)

''(2) APPLICABLE PERCENTAGE DEFINED.—In paragraph (1), the applicable percentage for a fiscal year is as follows:

''(A) For fiscal year 1995, 80 percent.

''(B) For fiscal year 1996, 70 percent.

''(C) For fiscal year 1997, 55 percent.

''(D) For fiscal year 1998, 40 percent.''.

(b) CONFORMING AMENDMENT.—Section 1923(c) of such Act (42 U.S.C. 1396r–4(c)) is amended in the matter preceding paragraph (1) by striking ''(f) and (g)'' and inserting ''(f), (g), and (h)''.

SEC. 11202. IMPOSITION OF STATE LIMITS ON APPROVED NURSING FACILITY BEDS.

(a) STATE PLAN REQUIREMENT.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) by striking ''and'' at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting ''; and''; and

(3) by inserting after paragraph (62) the following new paragraph:

''(63) provide that the State agency shall provide assurances satisfactory to the Secretary that the State has in effect laws prohibiting a nursing facility from opening additional beds without a certificate of need issued by the State in accordance with guidelines established by the State and approved by the Secretary based on the ratio of nursing facility

beds to the number of individuals residing in the applicable area who are likely to use such beds.''.

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to calendar quarters beginning on or after October 1, 1995, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 11203. REDUCING TO 50 PERCENT THE MATCHING RATE FOR ADMINISTRATIVE COSTS UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended to read as follows:

''(a) From the sums appropriated therefore, the Secretary (except as otherwise provided in this section) shall pay to each State that has a plan approved under this title, for each quarter—

''(1) an amount with respect to total expenditures during such quarter under the State plan for medical assistance (as defined in section 1905(a)) equal to the sum of—

''(A) an amount equal to 90 percent of such expenditures for family planning services and supplies, plus

''(B) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b), subject to subsections (g) and (j) of this section), of the remainder of such expenditures; plus

''(2) subject to section 1919(g)(3)(C), an amount equal to 45 percent of the remainder of the expenditures during such quarter as found necessary

by the Secretary for the proper and efficient administration of the State plan.''.

(b) CONFORMING AMENDMENTS.—

(1) FRAUD CONTROL UNITS.—Section 1903(b) of such Act (42 U.S.C. 1396b(b)) is amended by striking paragraph (3).

(2) MEDICAID MANAGEMENT INFORMATION SYSTEMS.—Section 1903(r) of such Act (42 U.S.C. 1396b(r)) is amended—

(A) by amending paragraph (1) to read as follows:

''(1) In order to receive payments under subsection (a)(2) without being subject to per centum reductions set forth in paragraph (2), a State must have in operation mechanized claims processing and information retrieval systems approved by the Secretary (of the type approved since October 7, 1980) which are determined to be likely to provide more efficient, economical, and effective administration of the plan and which—

''(A) are compatible with the claims processing and information retrieval systems used in the administration of title XVIII, and

''(B) include provision for prompt written notice to each individual who is furnished services covered by the plan, or to each individual in a sample group

of such individuals, of the specific services (other than confidential services) so covered, the name of the person or persons furnishing the services, the date or dates on which the services were furnished, and the amount of the payment or payments made under the plan on account of the services.'';

(B) by striking paragraphs (2) and (3), and redesignating paragraphs (4) through (8) as paragraphs (2) through (6), respectively;

(C) in paragraph (2), as so redesignated—

(i) in subparagraph (A), by striking ''paragraph (6)'' and inserting ''paragraph (4)'', and

(ii) in subparagraph (B)—

(I) by striking ''subsection (a)(3)(B)'' and inserting ''subsection (a)(2)''; and

(II) by striking ''not less than 50 per centum and not more than 70 per centum'' and inserting ''not less than 25 per centum and not more than 45 per centum'';

(D) in paragraph (3), as so redesignated—

(i) in the matter in subparagraph (A) preceding clause (i), by striking ''sub-

section (a)(3)(B)'' and inserting ''paragraph (1)'', and

(ii) in subparagraphs (A)(iii) and (B), by striking ''paragraph (6)'' and inserting ''paragraph (4)''; and

(E) in paragraph (4), as so redesignated—

(i) by striking subparagraph (C) and redesignating subparagraphs (D) through (J) as subparagraphs (C) through (I), and

(ii) in subparagraph (H), as redesignated, by striking ''subsection (a)(3) of this section'' and inserting ''subsection (a)(2)''.

(3) NURSING HOME ENFORCEMENT.—Section 1919 of such Act (42 U.S.C. 1396r) is amended—

(A) in subsection (g)(3)(C), by striking ''section 1903(a)(2)(D)'' and inserting ''section 1903(a)(2) with respect to amounts expended for State activities under this subsection'', and

(B) in subsection (h)(2), by striking ''1903(a)(7)'' and inserting ''1903(a)(2)'' each place it appears in subparagraphs (E) and (F).

(4) PEER REVIEW FUNDING.—Section 1158 of such Act (42 U.S.C. 1320c–7) is amended—

(A) by striking ''(a)'', and

(B) by striking subsection (b).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to quarters beginning on or after October 1, 1995.

Subtitle D—Reforms in Health Care Block Grants

SEC. 11301. CONSOLIDATION OF CERTAIN BLOCK GRANTS.

(a) IN GENERAL.—Title XIX of the Public Health Service Act (42 U.S.C. 300w et seq.) is amended by adding at the end the following part:

''PART C—CONSOLIDATION OF HEALTH-RELATED BLOCK GRANTS

"SEC. 1981. CONSOLIDATED PROGRAM OF FORMULA GRANTS.

''In the case of each State that in accordance with section 1983 submits to the Secretary an application for fiscal year 1996 or any subsequent fiscal year, the Secretary shall make a grant for the year to the State for the purposes specified in section 1982. The grant shall consist of the allotment determined for the State under section 1984.

"SEC. 1982. PURPOSES OF GRANTS; EFFECT ON SEPARATE PROGRAMS.

''(a) IN GENERAL.—The Secretary may make a grant under section 1981 only if the State involved agrees that

the grant will be expended only for the purposes authorized in any of the following programs (as in effect for fiscal year 1995):

''(1) The program under part A of this title (relating to block grants for preventive health and health services).

''(2) The program under subpart 1 of part B of this title (relating to block grants for community mental health services).

''(3) The program under subpart 2 of part B of this title (relating to block grants for the prevention and treatment of substance abuse).

''(4) The program under title V of the Social Security Act (relating to block grants for maternal and child health services).

''(b) EFFECT ON SEPARATE PROGRAMS.—For fiscal year 1996 and subsequent fiscal years:

''(1) No amounts are authorized to be appropriated under any of the programs specified in subsection (a), notwithstanding any other provision of law.

''(2) The programs are in effect only to the extent provided in subsection (a).

''(c) RULE OF CONSTRUCTION.—With respect to compliance with the agreement made by a State under subsection (a):

''(1) The State may expend a grant under section 1981 for any or all of the purposes authorized in the four programs specified in such subsection.

''(2) The State is not required to expend the grant for each of the four categories of services or activities with which the four programs were, respectively, concerned.

''SEC. 1983. APPLICATION FOR GRANT.

''The Secretary may make a grant under section 1981 only if an application for the grant is submitted to the Secretary by the date specified by the Secretary, and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

''SEC. 1984. AMOUNT OF ALLOTMENT.

''(a) IN GENERAL.—

''(1) ALLOTMENT.—For purposes of section 1981—

''(A) the allotment determined under this section for a State for a fiscal year is, subject to subsection (g), the sum of the respective

amounts determined for the State under subsections (b) through (e); and

''(B) the allotment determined under this section for a territory for a fiscal year is the amount determined under subsection (h).

''(2) APPLICABILITY TO TERRITORIES.—For purposes of this part, the term 'State' means each of the several States and each of the territories, except that, for purposes of paragraph (1) and subsections (b) through (g), such term does not include any territory.

''(b) AMOUNT RELATING TO FORMULAS IN PROGRAM FOR PREVENTIVE HEALTH AND HEALTH SERVICES.—For purposes of subsection (a)(1)(A), the amount under this subsection for a State for a fiscal year shall be determined as follows:

''(1) The Secretary shall determine an amount equal to 6.7 percent of the amount that is appropriated under section 1986 for the fiscal year and available after compliance with section 1986(b).

''(2) Of the amount determined under paragraph (1), 97.2 percent shall be applied to the formula in effect under subsection (a) of section 1902 for fiscal year 1995.

"(3) Of the amount determined under paragraph (1), 2.8 percent shall be applied to the formula in effect under subsection (b) of section 1902 for fiscal year 1995.

"(4) The amount determined under this subsection for the fiscal year is the sum of the amount resulting under paragraph (2) and the amount resulting under paragraph (3).

"(c) AMOUNT RELATING TO FORMULA IN PROGRAM FOR COMMUNITY MENTAL HEALTH SERVICES.—For purposes of subsection (a)(1)(A), the amount under this subsection for a State for a fiscal year shall be determined as follows:

"(1) The Secretary shall determine an amount equal to 11.7 percent of the amount that is appropriated under section 1986 for the fiscal year and available after compliance with section 1986(b).

"(2) The amount determined under paragraph (1) shall be applied to the formula in effect under subsection (a) of section 1918 for fiscal year 1995, and after application of the formula shall be adjusted to the extent required by subsection (b) of such section (as in effect for fiscal year 1995).

"(3) The amount determined under this subsection for the fiscal year is the amount resulting under paragraph (2).

"(d) AMOUNT RELATING TO FORMULA IN PROGRAM FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE.—For purposes of subsection (a)(1)(A), the amount under this subsection for a State for a fiscal year shall be determined as follows:

"(1) The Secretary shall determine an amount equal to 52.5 percent of the amount that is appropriated under section 1986 for the fiscal year and available after compliance with section 1986(b).

"(2) The amount determined under paragraph (1) shall be applied to the formula in effect under subsection (a) of section 1933 for fiscal year 1995, and after application of the formula shall be adjusted to the extent required by subsection (b) of such section (as in effect for fiscal year 1995).

"(3) The amount determined under this subsection for the fiscal year is the amount resulting under paragraph (2).

"(e) AMOUNT RELATING TO FORMULA IN PROGRAM FOR MATERNAL AND CHILD HEALTH SERVICES.—For purposes of subsection (a)(1)(A), the amount under this

subsection for a State for a fiscal year shall be determined as follows:

''(1) The Secretary shall determine an amount equal to 29.1 percent of the amount that is appropriated under section 1986 for the fiscal year and available after compliance with section 1986(b).

''(2) The amount determined under paragraph (1) shall be applied to the formula in effect under section 502(c)(2) of the Social Security Act for fiscal year 1995.

''(3) The amount determined under this subsection for the fiscal year is the amount resulting under paragraph (2).

''(f) RULES OF CONSTRUCTION.—For purposes of subsections (b) through (e):

''(1) In applying an amount to a formula, the amount shall be used in the formula in lieu of the funds that otherwise would be allocated by the formula.

''(2) With respect to the data to be used in the formula, the Secretary shall use the most recent data that is reasonably available to the Secretary (subject to any restrictions in the formula).

''(g) FUNDS FOR TRIBES AND TRIBAL ORGANIZATIONS.—

"(1) IN GENERAL.—From the allotment determined for a State for a fiscal year pursuant to subsection (a)(1)(A), the Secretary shall reserve an amount determined in accordance with paragraph (4) if the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within the State that funds under this part be provided directly by the Secretary to such tribe or organization; and

"(B) makes a determination that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this.

"(2) TRIBE OR TRIBAL ORGANIZATION AS GRANTEE.—The amount reserved by the Secretary on the basis of a determination under paragraph (1) shall, subject to paragraph (3), be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(3) REQUIRED PLAN.—The Secretary may make a grant under this subsection for a fiscal year only if the Indian tribe or tribal organization involved submits to the Secretary a plan for the fiscal

year that meets such criteria as the Secretary may prescribe.

''(4) AMOUNT OF GRANT.—For purposes of paragraph (1), the amount reserved under this paragraph for a fiscal year for an Indian tribe or tribal organization shall be determined as follows:

''(A) The Secretary shall determine an amount equal to the difference between—

''(i) the allotment made pursuant to subsection (a)(1)(A) for the fiscal year for the State involved; and

''(ii) the amount determined for the State under subsection (e) for the fiscal year.

''(B) The amount reserved under this paragraph for the fiscal year is the product of—

''(i) the amount determined under subparagraph (A); and

''(ii) a percentage equal to the ratio of—

''(I) the aggregate amount received by the Indian tribe or tribal organization for fiscal year 1995 under parts A and B; over

"(II) the aggregate amounts received by the State involved under such parts for fiscal year 1995.

"(5) DEFINITION.—The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in subsections (b) and (c) of section 4 of the Indian Self-Determination and Education Assistance Act.

"(h) ALLOTMENTS FOR TERRITORIES.—For purposes of section 1981, the allotment under this section for a territory for a fiscal year shall be made from amounts reserved under section 1986(b), and the amount of the allotment shall be determined in a manner equivalent to the manner in which an allotment for a State is determined pursuant to subsection (a)(1)(A).

"(i) DISPOSITION OF CERTAIN FUNDS.—

"(1) IN GENERAL.—Of the amounts available for a fiscal year for grants under section 1981, amounts described in paragraph (2), if any, shall be allotted by the Secretary as grants to States that submit applications in accordance with section 1983 for the fiscal year. The amount of such a grant for a State shall be determined in a manner equivalent to the manner in which the amount of a grant was otherwise determined under this section for the

State for the fiscal year, and the grant shall be subject to the same conditions as grants under section 1981.

''(2) SPECIFICATION OF AMOUNTS.—The amounts referred to in paragraph (1) for a fiscal year are any amounts that are not paid under section 1981 to the States for the fiscal year as a result of—

''(A) the failure of one or more States to submit an application in accordance with section 1983 for the fiscal year; or

''(B) one or more States informing the Secretary that the State does not intend to expend the full amount of the grant made to the State under section 1981 for the fiscal year.

''SEC. 1985. DEFINITIONS.

''For purposes of this part:

''(1) The term 'State' has the meaning given such term in section 1984(a)(2).

''(2) The term 'territory' means each of the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Palau, the Marshall Islands, and Micronesia.

"SEC. 1986. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—For the purpose of carrying out this part, there are authorized to be appropriated $2,233,833,800 for fiscal year 1996, and $2,122,142,111 for fiscal year 1997 and each of the fiscal years 1998 through 2000.

''(b) ALLOCATION.—Of the amounts appropriated under subsection (a) for a fiscal year, the Secretary shall make available for grants under section 1981 to the territories an amount equal to the product of—

''(1) the amounts so appropriated; and

''(2) a percentage equal to the ratio of—

''(A) the aggregate amounts received by the territories for fiscal year 1995 under parts A and B and under title V of the Social Security Act; and

''(B) the aggregate amounts appropriated for fiscal year 1995 under sections 1901, 1920, and 1935 and under section 501 of the Social Security Act.''.

(b) CONFORMING AMENDMENTS.—

(1) PROGRAM FOR PREVENTIVE HEALTH AND HEALTH SERVICES.—Section 1901 of the Public Health Service Act (42 U.S.C. 300w) is amended—

(A) in subsection (a), by striking ''through 1997'' and inserting ''and 1995''; and

(B) by adding at the end the following subsection:

''(c) For fiscal year 1996 and subsequent fiscal years, this part is subject to part C.''.

(2) PROGRAM FOR COMMUNITY HEALTH SERVICES.—Section 1920 of the Public Health Service Act (42 U.S.C. 300x–9) is amended by adding at the end the following subsection:

''(c) LIMITATION.—For fiscal year 1996 and subsequent fiscal years, this subpart is subject to part C.''.

(3) PROGRAM FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE.—Section 1935 of the Public Health Service Act (42 U.S.C. 300x–35) is amended by adding at the end the following subsection:

''(c) LIMITATION.—For fiscal year 1996 and subsequent fiscal years, this subpart is subject to part C.''.

(4) PROGRAM FOR MATERNAL AND CHILD HEALTH SERVICES.—Section 501 of the Social Security Act (42 U.S.C. 701) is amended—

(A) in subsection (a), in the matter preceding paragraph (1), by striking ''each fiscal year thereafter'' and inserting ''each of the fiscal years 1991 through 1995''; and

(B) by adding at the end the following subsection:

''(c) For fiscal year 1996 and subsequent fiscal years, this part is subject to part C of title XIX of the Public Health Service Act (relating to the consolidation of certain programs).''.

SEC. 11302. REDUCTION IN BUDGET FOR IMMUNIZATION PROGRAMS; PROHIBITION REGARDING WAREHOUSING OF VACCINES.

Section 317(j) of the Public Health Service Act (42 U.S.C. 247b(j)) is amended—

(1) in paragraph (1), in the first sentence—

(A) by striking ''and'' after ''1991,''; and

(B) by inserting before the period the following: '', $328,591,000 for fiscal year 1996, $324,591,000 for fiscal year 1997, $319,591,000 for fiscal year 1998, $315,591,000 for fiscal year 1999, and $310,591,000 for fiscal year 2000'';

(2) by striking paragraph (2); and

(3) by adding at the end the following paragraph:

''(2) In carrying out programs of the Department of Health and Human Services under which the Secretary provides for the storage of vaccines, the Secretary may

not provide for the storage of all (or substantially all) of the vaccines in a single storage facility.''.

Subtitle E—Health Care Program Reforms

SEC. 11401. REDUCTION IN BUDGET OF AGENCY FOR HEALTH CARE POLICY AND RESEARCH.

Section 926 of the Public Health Service Act (42 U.S.C. 299c–5) is amended by adding at the end the following subsection:

''(f) TERMINATION OF FUNDING FOR AGENCY.—For fiscal year 1996 and each subsequent fiscal year, this Act does not provide any authorization of appropriations to carry out this title.''.

SEC. 11402. REDUCTION IN BUDGET FOR PROGRAMS TO TREAT SUBSTANCE ABUSE.

Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following section:

''REDUCTION IN TREATMENT BUDGET

''SEC. 514. (a) IN GENERAL.—Notwithstanding any other provision of law, the authorizations of appropriations established for carrying out this subpart and section 1971 for a fiscal year are effective only to the extent that the authorizations for the fiscal year do not, in the aggregate, exceed the following amount, as applicable to the fiscal year: $178,405,000 for fiscal year 1996, $170,405,000

for fiscal year 1997, $163,405,000 for fiscal year 1998, $155,405,000 for fiscal year 1999, and $148,405,000 for fiscal year 2000.

''(b) PRESUMED PER-PROGRAM AUTHORIZATION LEVEL.—For each of the fiscal years specified in subsection (a), the authorization of appropriations for each program under this subpart and section 1971 is deemed to be an amount equal to the appropriation made for the program for the preceding fiscal year, unless a provision of this subpart or section 1971 specifies that this subsection is not applicable to the program.

''(c) PRO RATA REDUCTIONS IN AUTHORIZATIONS.—If the aggregate of the authorizations of appropriations established for carrying out this subpart and section 1971 for a fiscal year (including authorizations established under subsection (b)) exceeds the amount applicable under subsection (a) to the fiscal year, each such authorization is reduced pro rata by the amount necessary for the aggregate of the authorizations to equal the applicable amount.''.

SEC. 11403. ABOLITION OF OFFICE OF THE SURGEON GENERAL OF THE PUBLIC HEALTH SERVICE

With respect to the Office of the Surgeon General of the Public Service—

(1) all authorities and personnel of the Office are transferred to the Assistant Secretary for Health of the Department of Health and Human Services;

(2) all unobligated portions of budget authority allocated for the Office are rescinded; and

(3) the Office, and the position of such Surgeon General, are terminated.

Subtitle F—Federal Employee Health Care Reform

SEC. 11501. GOVERNMENT CONTRIBUTION TO THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.

(a) IN GENERAL.—Section 8906 of title 5, United States Code, is amended by striking subsections (a) and (b) and inserting the following:

''(a) For the purpose of this section, 'base quarter' and 'price index' each has the meaning given it by section 8340.

''(b)(1)(A) Except as otherwise provided in this subsection, the biweekly Government contribution for health benefits for an employee or annuitant enrolled in a health benefits plan under this chapter shall be—

''(i) $1,535, if enrollment is for self alone, and

''(ii) $3,430, if enrollment is for self and family, as adjusted under subparagraph (B).

''(B) The biweekly Government contribution under this paragraph for contract year 1997, or a subsequent contract year, is the applicable amount under subparagraph (A), increased by the percentage (if any) by which—

''(i) the price index for the base quarter of the preceding contract year, exceeds

''(ii) the price index for the base quarter of contract year 1994,

rounded to the nearest multiple of $5 (or, if midway between multiples of $5, to the next higher multiple of $5). For an employee, the adjustment begins on the first day of the employee's first pay period of the contract year. For an annuitant, the adjustment begins on the first day of the first period of the contract year for which an annuity payment is made.

''(2) The biweekly Government contribution for an employee or annuitant enrolled in a plan under this chapter shall not exceed the subscription charge.

''(3) In the case of an employee occupying a position on a part-time career employment basis (as defined in section 3401(2)), the biweekly Government contribution shall be equal to the amount which bears the same ratio to the otherwise applicable amount under this subsection (determined without regard to this paragraph) as the average number of hours of such employee's regularly scheduled

workweek bears to the average number of hours in the regularly scheduled workweek of an employee serving in a comparable position on a full-time career basis (as determined under regulations prescribed by the Office).''.

(b) CONFORMING AMENDMENT.—Subsection (c) of section 613 of the Alaska Railroad Transfer Act of 1982 (45 U.S.C. 1212(c)) is repealed.

(c) EFFECTIVE DATE.—This section shall take effect at the beginning of contract year 1997.

TITLE XII—MEDICARE

Subtitle A—Copayment Reform

SEC. 12001. IMPOSITION OF 20 PERCENT COINSURANCE ON HOME HEALTH SERVICES.

(a) IN GENERAL.—

(1) PART A.—Section 1813(a) of the Social Security Act (42 U.S.C. 1395e(a)) is amended by adding at the end the following new paragraph:

''(5) The amount payable for a home health service furnished to an individual under this part shall be reduced by a copayment amount equal to 20 percent of the average of all the per visit costs for such service furnished under this title determined under section 1861(v)(1)(L) (as determined by the Secretary on a prospective basis for services furnished during a calendar year).''.

(2) PART B.—Section 1833(a)(2) of such Act (42 U.S.C. 1395l(a)(2)), as amended by section 147(f)(6)(C) of the Social Security Act Amendments of 1994, is amended—

(A) in subparagraph (A)—

(i) by striking ''to home health services'' and all that follows through ''1861(kk))),'', and

(ii) by striking the comma after ''opinion)'';

(B) in subparagraph (E), by striking ''and'' at the end;

(C) in subparagraph (F), by striking the semicolon at the end and inserting ''; and''; and

(D) by adding at the end the following new subparagraph:

''(G) with respect to any home health service other than a covered osteoporosis drug (as defined in section 1861(kk))—

''(i) the lesser of —

''(I) the reasonable cost of such service, as determined under section 1861(v), or

''(II) the customary charges with respect to such service,

less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), or

''(ii) if such service is furnished by a public provider of services, or by another provider which demonstrates to the satisfaction of the Secretary that a significant portion of its patients are low-income (and requests that payment be made under this clause), free of charge or at nominal charges to the public, the amount determined in accordance with section 1814(b)(2),

less a copayment amount equal to 20 percent of the average of all per visit costs for such service furnished under this title determined under section 1861(v)(1)(L) (as determined by the Secretary on a prospective basis for services furnished during a calendar year);''.

(3) PROVIDER CHARGES.—Section 1866(a)(2)(A)(i) of such Act (42 U.S.C. 1395cc(a)(2)(A)(i)) is amended—

(A) by striking ''deduction or coinsurance'' and inserting ''deduction, coinsurance, or copayment''; and

(B) by striking ''or (a)(4)'' and inserting ''(a)(4), or (a)(5)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to home health services furnished on or after October 1, 1995.

SEC. 12002. IMPOSITION OF 20 PERCENT COINSURANCE ON CLINICAL LABORATORY SERVICES.

(a) IN GENERAL.—Section 1833(a) of the Social Security Act (42 U.S.C. 1395l(a)), as amended by section 156(a)(2)(B) of the Social Security Act Amendments of 1994, is amended—

(1) in paragraph (1)(D)—

(A) by striking ''(or 100 percent'' and all that follows through ''basis)'', and

(B) by striking ''100 percent of such negotiated rate'' and inserting ''80 percent of such negotiated rate''; and

(2) in paragraph (2)(D)—

(A) by striking ''(or 100 percent'' and all that follows through ''section 1866)'', and

(B) by striking ''100 percent of such negotiated rate'' and inserting ''80 percent of such negotiated rate''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to tests furnished on or after October 1, 1995.

Subtitle B—Part B Premium

SEC. 12101. RELATING MEDICARE PART B PREMIUM TO INCOME FOR CERTAIN HIGH INCOME INDIVIDUALS.

(a) INCREASE IN PREMIUM.—

(1) IN GENERAL.—Section 1839 of the Social Security Act (42 U.S.C. 1395r), as amended by section 144 of the Social Security Act Amendments of 1994, is amended by adding at the end the following:

''(h)(1) Notwithstanding the previous subsections of this section, in the case of an individual whose modified adjusted gross income in a taxable year ending with or within a calendar year (as reported by the individual under section 1893(a)) is equal to or exceeds the sum of the threshold amount described in paragraph (4) and $25,000, the amount of the monthly premium for the calendar year shall be increased by an amount such that the total monthly premium (determined without regard to subsection (b)) is equal to 200 percent of the monthly actuarial rate for enrollees age 65 and over as determined under subsection (a)(1) for that calendar year. The preceding

sentence shall not apply to any individual whose threshold amount is zero.

''(2) Notwithstanding the previous subsections of this section, in the case of an individual not described in paragraph (1) whose modified adjusted gross income in a taxable year ending with or within a calendar year (as reported by the individual under section 1893(a)) exceeds the threshold amount described in paragraph (4), the amount of the monthly premium for the calendar year shall be increased by an amount which bears the same ratio to the amount of the increase determined under paragraph (1) as such excess bears to $25,000. The preceding sentence shall not apply to any individual whose threshold amount is zero.

''(3) Using information provided by the Secretary of the Treasury under section 6103(l)(14) of the Internal Revenue Code of 1986, the Secretary shall determine the actual modified adjusted gross income of individuals enrolled in this part during a taxable year and adjust the monthly premium applicable to an individual during a calendar year to take into account any overpayments or underpayments in the premium during the previous calendar year resulting from the application of this subsection.

''(4) In this subsection and section 1813(c), the term 'threshold amount' means—

''(A) except as otherwise provided in this paragraph, $70,000,

''(B) $90,000 in the case of an individual who files a joint return under section 6013 of the Internal Revenue Code of 1986, and

''(C) zero in the case of an individual who—

''(i) is married at the close of the taxable year (as determined under section 7703 of the Internal Revenue Code of 1986) but does not file a joint return for such year, and

''(ii) does not live apart from the individual's spouse at all times during the taxable year.''.

(2) CONFORMING AMENDMENT.—Section 1839(f) of such Act (42 U.S.C. 1395r(f)) is amended by striking ''if an individual'' and inserting the following: ''if an individual (other than an individual subject to an increase in the monthly premium under this section pursuant to subsection (h))''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to the monthly premium under section 1839 of the Social Security Act for months beginning after February 1996 in taxable years beginning after December 31, 1995.

(b) REPORTING REQUIREMENT FOR BENEFICIARIES.—Title XVIII of the Social Security Act is amended by adding at the end the following:

''REPORT TO SECRETARY ON ESTIMATED MODIFIED ADJUSTED GROSS INCOME

''SEC. 1893. (a) IN GENERAL.—

''(1) INDIVIDUALS COVERED THROUGHOUT YEAR.—Not later than November 1 of each year (beginning with 1996), each individual enrolled under part B shall submit to the Secretary (in such form and manner as the Secretary may require, in consultation with the Secretary of the Treasury) an estimate of the individual's modified adjusted gross income anticipated for the taxable year ending with or within the following calendar year, to be used (subject to section 1839(h)(3)) to determine whether the individual is to be subject to an increase in the monthly part B premium under section 1839(h) for such following calendar year.

''(2) SPECIAL RULE FOR FIRST YEAR OF COVERAGE.—For the first year in which an individual is enrolled under part B, the individual shall submit to the Secretary (at such time and in such form and manner as the Secretary may require, in consultation with the Secretary of the Treasury) an estimate of the individual's modified adjusted gross income

anticipated for the taxable year ending with December 31 of such year, to be used to determine whether the individual is to be subject to an increase in the monthly part B premium under section 1839(h) for such year.

''(b) SPECIAL RULE FOR 1996.—Not later than 60 days after the date of the enactment of this section, each individual described in subsection (a) shall submit to the Secretary an estimate of the individual's modified adjusted gross income for the taxable year ending December 1995, to be used to determine (subject to section 1839(h)(3)) whether the individual is to be subject to an increase in the monthly part B premium under section 1839(h) during 1996.

''(c) MODIFIED ADJUSTED GROSS INCOME DEFINED.—In subsection (a), the term 'modified adjusted gross income' means, with respect to an individual for a taxable year, the individual's adjusted gross income under the Internal Revenue Code of 1986, determined without regard to sections 931 or 933 of such Code.''.

(c) DISCLOSURE OF CERTAIN TAX INFORMATION BY SECRETARY OF TREASURY.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and re-

turn information) is amended by adding at the end thereof the following new paragraph:

''(14) DISCLOSURE OF RETURN INFORMATION TO MEANS-TEST MEDICARE.—

''(A) IN GENERAL.—The Secretary shall, upon written request from the Administrator of the Health Care Financing Administration, disclose to the officers and employees of such Administration return information necessary to determine the modified adjusted gross income (as defined in section 1893(c) of the Social Security Act) of any medicare beneficiary (as defined in paragraph (12)(E)), to be used to determine whether the beneficiary is to be subject to an increase in the monthly part B premium under section 1839(g) of such Act.

''(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Any officer or employee of the Health Care Financing Administration receiving return information under subparagraph (A) shall use such information only for purposes of, and to the extent necessary in, establishing the modified adjusted gross income (as so defined) of any medicare beneficiary (as so defined).''

(2) CONFORMING AMENDMENTS.—Paragraphs (3)(A) and (4) of section 6103(p) of such Code are each amended by striking ''or (13)'' each place it appears and inserting ''(13), or (14)''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply with respect to information for taxable years beginning after December 31, 1995.

SEC. 12103. SETTING THE PART B PREMIUM AT 25 PERCENT OF PROGRAM EXPENDITURES PERMANENTLY.

(a) IN GENERAL.—Section 1839(a)(3) of the Social Security Act (42 U.S.C. 1395r(a)(3)) is amended by striking ''The monthly premium'' and all that follows through ''November 1.'' and inserting the following: ''The monthly premium shall be equal to 50 percent of the monthly actuarial rate for enrollees age 65 and over, as determined according to paragraph (1), for that succeeding calendar year.''.

(b) CONFORMING AMENDMENTS.—Section 1839 of such Act (42 U.S.C. 1395r) is amended—

(1) in subsection (a)(2), by striking ''(b) and (e)'' and inserting ''(b), (c), (e), and (f)'';

(2) in the last sentence of subsection (a)(3), by striking ''and the derivation of the dollar amounts specified in this paragraph''; and

(3) in subsection (e)—

(A) by striking ''(1)(A) Notwithstanding'' and all that follows through ''(B)'',

(B) by striking paragraph (2), and

(C) by redesignating clauses (i) through (v) as paragraphs (1) through (5).

Subtitle C—Part A Deductible

SEC. 12201. INCREASE IN MEDICARE HOSPITAL INSURANCE DEDUCTIBLE FOR CERTAIN HIGH-INCOME INDIVIDUALS.

(a) INCREASE IN DEDUCTIBLE.—

(1) IN GENERAL.—Section 1813 of the Social Security Act (42 U.S.C. 1395e) is amended by adding at the end the following new subsection:

''(c)(1)(A) Notwithstanding the previous subsections of this section, in the case of an individual whose modified adjusted gross income in a taxable year ending with or within a calendar year (as reported by the individual under section 1893(a)) exceeds the threshold amount (described in section 1839(h)(4)), the inpatient hospital deductible otherwise applicable with respect to an individual for a

spell of illness that begins during such year shall be increased—

''(i) in the case of an individual whose modified adjusted gross income exceeds such threshold amount by less than $5,000, by 33 percent of such deductible; or

''(ii) in the case of any other such individual, by 33 percent of such deductible for each $5,000 by which the individual's modified adjusted gross income exceeds such threshold amount.

''(B) Notwithstanding subparagraph (A), the total inpatient hospital deductible applicable to an individual for a spell of illness may not exceed—

''(i) for 1996, $2,000; and

''(ii) for any succeeding year, the amount described in this subparagraph for the preceding calendar year, changed and adjusted in the same manner as the inpatient hospital deductible is changed and adjusted under subsection (b)(1).

''(2) Using information provided by the Secretary of the Treasury under 6103(l)(14), the Secretary shall determine the actual modified adjusted gross income of individuals enrolled in this part during a taxable year and apply the following rules:

''(A) In the case of an individual subject to an increase in the inpatient hospital deductible under paragraph (1) during a year whose modified adjusted gross income did not exceed the threshold amount (described in section 1839(h)(4)) for such year, the Secretary shall refund to the individual the amount of such increase.

''(B) In the case of an individual to which the inpatient hospital deductible applied for inpatient hospital services furnished in a year and whose actual modified adjusted gross income exceeded the threshold amount (described in section 1839(h)(4)) for such year, if such individual was not subject to an increase in such deductible during the year under paragraph (1)—

''(i) the Secretary shall collect the amount by which the deductible would have been increased if the modified adjusted gross income reported by the individual under section 1893(a) was equal to the individual's actual modified adjusted gross income from the hospital that furnished the inpatient hospital services (either directly or through reductions in payments to the hospital for subsequently furnished services); and

''(ii) the individual shall be liable to the hospital for payment of such amount.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to inpatient hospital services for which a spell of illness (as defined in section 1861(a) of the Social Security Act) begins after February 1996 in taxable years beginning after December 31, 1995.

(b) CONFORMING AMENDMENT TO REPORTING REQUIREMENT FOR BENEFICIARIES.—Section 1893 of such Act, as added by section 12101(b), is amended—

(1) in subsection (a), by striking ''part B'' each place it appears in paragraphs (1) and (2) and inserting ''part B or entitled to benefits under part A''; and

(2) by striking ''1839(h)'' each place it appears in subsections (a) and (b) and inserting the following: '' 1839(h) or an increase in the inpatient hospital deductible under section 1813(c)''.

(c) CONFORMING AMENDMENT TO DISCLOSURE REQUIREMENT FOR SECRETARY OF THE TREASURY.—Section 6103(l)(14)(A) of the Internal Revenue Code of 1986, as added by section 12101(c), is amended by striking ''1839(h)'' and inserting the following: '' 1839(h) or an

increase in the inpatient hospital deductible under section 1813(c)''.

Subtitle D—Medicare Payments to Hospitals

SEC. 12301. ELIMINATION OF PAYMENTS TO HOSPITALS FOR ENROLLEES' BAD DEBTS.

(a) IN GENERAL.—Section 1861(v)(1) of the Social Security Act (8 U.S.C. 1395x(v)(1)) is amended by adding at the end the following new subparagraph:

''(T) In determining such reasonable costs for hospitals, bad debts attributable to the deductibles and coinsurance amounts under this title shall not be treated as allowable costs.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to hospital cost reporting periods beginning on or after October 1, 1995.

SEC. 12302. REDUCTION IN PAYMENTS FOR INDIRECT COSTS OF MEDICAL EDUCATION.

(a) IN GENERAL.—Section 1886(d)(5)(B)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(ii)) is amended by striking ''1.89'' and inserting ''.74''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to hospital cost reporting periods beginning on or after October 1, 1995.

Subtitle E—Selected Presidential Medicare Reforms

SEC. 12401. EXPANSION OF CENTERS OF EXCELLENCE.

(a) IN GENERAL.—The Secretary of Health and Human Services shall use a competitive process to contract with centers of excellence for cataract surgery, coronary artery by-pass surgery, and such other services as the Secretary determines to be appropriate. Payment under title XVIII of the Social Security Act will be made for services subject to such contracts on the basis of negotiated or all-inclusive rates as follows:

(1) The center shall cover services provided in an urban area (as defined in section 1886(d)(2)(D) of the Social Security Act) for years beginning with fiscal year 1995.

(2) The amount of payment made by the Secretary to the center under title XVIII of the Social Security Act for services covered under the project shall be less than the aggregate amount of the payments that the Secretary would have made to the center for such services had the project not been in effect.

(3) The Secretary shall make payments to the center on such a basis for the following services fur-

nished to individuals entitled to benefits under such title:

(A) Facility, professional, and related services relating to cataract surgery.

(B) Coronary artery bypass surgery and related services.

(C) Such other services as the Secretary and the center may agree to cover under the agreement.

(b) REBATE OF PORTION OF SAVINGS.—In the case of any services provided under a demonstration project conducted under subsection (a), the Secretary shall make a payment to each individual to whom such services are furnished (at such time and in such manner as the Secretary may provide) in an amount equal to 10 percent of the amount by which—

(1) the amount of payment that would have been made by the Secretary under title XVIII of the Social Security Act to the center for such services if the services had not been provided under the project, exceeds

(2) the amount of payment made by the Secretary under such title to the center for such services.

SEC. 12402. APPLICATION OF COMPETITIVE ACQUISITION PROCESS FOR PART B ITEMS AND SERVICES.

(a) GENERAL RULE.—Part B of title XVIII of the Social Security Act is amended by inserting after section 1846 the following:

''COMPETITION ACQUISITION FOR ITEMS AND SERVICES

''SEC. 1847. (a) ESTABLISHMENT OF BIDDING AREAS.—

''(1) IN GENERAL.—The Secretary shall establish competitive acquisition areas for the purpose of awarding a contract or contracts for the furnishing under this part of the items and services described in subsection (c) on or after January 1, 1995. The Secretary may establish different competitive acquisition areas under this subsection for different classes of items and services under this part.

''(2) CRITERIA FOR ESTABLISHMENT.—The competitive acquisition areas established under paragraph (1) shall—

''(A) initially be, or be within, metropolitan statistical areas; and

''(B) be chosen based on the availability and accessibility of suppliers and the probable savings to be realized by the use of competitive bidding in the furnishing of items and services in the area.

''(b) AWARDING OF CONTRACTS IN AREAS.—

''(1) IN GENERAL.—The Secretary shall conduct a competition among individuals and entities supplying items and services under this part for each competitive acquisition area established under subsection (a) for each class of items and services.

''(2) CONDITIONS FOR AWARDING CONTRACT.—The Secretary may not award a contract to any individual or entity under the competition conducted pursuant to paragraph (1) to furnish an item or service under this part unless the Secretary finds that the individual or entity—

''(A) meets quality standards specified by the Secretary for the furnishing of such item or service; and

''(B) offers to furnish a total quantity of such item or service that is sufficient to meet the expected need within the competitive acquisition area.

''(3) CONTENTS OF CONTRACT.—A contract entered into with an individual or entity under the competition conducted pursuant to paragraph (1) shall specify (for all of the items and services within a class)—

''(A) the quantity of items and services the entity shall provide; and

''(B) such other terms and conditions as the Secretary may require.

''(c) SERVICES DESCRIBED.—The items and services to which the provisions of this section shall apply are as follows:

''(1) Magnetic resonance imaging tests and computerized axial tomography scans, including a physician's interpretation of the results of such tests and scans.

''(2) Oxygen and oxygen equipment.

''(3) Such other items and services for which the Secretary determines that the use of competitive acquisition under this section will be appropriate and cost-effective.''.

(b) ITEMS AND SERVICES TO BE FURNISHED ONLY THROUGH COMPETITIVE ACQUISITION.—Section 1862(a) of such Act (42 U.S.C. 1395y(a)), as amended by section 156(a)(2)(D) of the Social Security Act Amendments of 1994, is amended—

(1) by striking ''or'' at the end of paragraph (14);

(2) by striking the period at the end of paragraph (15) and inserting ''; or''; and

(3) by inserting after paragraph (15) the following new paragraph:

''(16) where such expenses are for an item or service furnished in a competitive acquisition area (as established by the Secretary under section 1847(a)) by an individual or entity other than the supplier with whom the Secretary has entered into a contract under section 1847(b) for the furnishing of such item or service in that area, unless the Secretary finds that such expenses were incurred in a case of urgent need.''.

(c) REDUCTION IN PAYMENT AMOUNTS IF COMPETITIVE ACQUISITION FAILS TO ACHIEVE MINIMUM REDUCTION IN PAYMENTS.—Notwithstanding any other provision of title XVIII of the Social Security Act, if the establishment of competitive acquisition areas under section 1847 of such Act (as added by subsection (a)) and the limitation of coverage for items and services under part B of such title to items and services furnished by providers with competitive acquisition contracts under such section does not result in a reduction of at least 10 percent in the projected payment amount that would have applied to the item or service under part B if the item or service had not been furnished through competitive acquisition under such section, the Secretary shall reduce the pay-

ment amount by such percentage as the Secretary determines necessary to result in such a reduction.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished under part B of title XVIII of the Social Security Act on or after January 1, 1995.

SEC. 12403. APPLICATION OF COMPETITIVE ACQUISITION PROCEDURES FOR LABORATORY SERVICES.

(a) IN GENERAL.—Section 1847(c) of the Social Security Act, as added by section 12402, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

''(4) Clinical diagnostic laboratory tests.''.

(b) REDUCTION IN FEE SCHEDULE AMOUNTS IF COMPETITIVE ACQUISITION FAILS TO ACHIEVE SAVINGS.—Section 1833(h) (42 U.S.C. 1395l(h)) is amended by adding at the end the following new paragraph:

''(7) Notwithstanding any other provision of this subsection, if the Secretary applies the authority provided under section 1847 to establish competitive acquisition areas for the furnishing of clinical diagnostic laboratory tests in a year and the application of such authority does not result in a reduction of at least 10 percent in the pro-

jected payment amount that would have applied to such tests under this section if the tests had not been furnished through competitive acquisition under section 1847, the Secretary shall reduce each payment amount otherwise determined under the fee schedules and negotiated rates established under this subsection by such percentage as the Secretary determines necessary to result in such a reduction.''.

SEC. 12404. MEDICARE SECONDARY PAYER CHANGES.

(a) EXTENSION OF DATA MATCH.—

(1) Section 1862(b)(5)(C) (42 U.S.C. 1395y(b)(5)(C)) is amended by striking clause (iii).

(2) Section 6103(l)(12) of the Internal Revenue Code of 1986 is amended by striking subparagraph (F).

(b) REPEAL OF SUNSET ON APPLICATION TO DISABLED EMPLOYEES OF EMPLOYERS WITH MORE THAN 100 EMPLOYEES.—Section 1862(b)(1)(B)(iii) (42 U.S.C. 1395y(b)(1)(B)(iii)), as amended by section 13561(b) of OBRA–1993, is amended—

(1) in the heading, by striking ''SUNSET'' and inserting ''EFFECTIVE DATE''; and

(2) by striking '', and before October 1, 1998''.

(c) EXTENSION OF PERIOD FOR END STAGE RENAL DISEASE BENEFICIARIES.—Section 1862(b)(1)(C) (42

U.S.C. 1395y(b)(1)(C)), as amended by section 13561(c) of OBRA–1993, is amended in the second sentence by striking ''and on or before October 1, 1998,''.

SEC. 12405. LIMITATIONS ON PAYMENT FOR PHYSICIANS' SERVICES FURNISHED BY HIGH-COST HOSPITAL MEDICAL STAFFS.

(a) IN GENERAL.—

(1) LIMITATIONS DESCRIBED.—Part B of title XVIII of the Social Security Act is amended by adding at the end the following new section:

''LIMITATIONS ON PAYMENT FOR PHYSICIANS' SERVICES FURNISHED BY HIGH-COST HOSPITAL MEDICAL STAFFS

''SEC. 1849. (a) SERVICES SUBJECT TO REDUCTION.—

''(1) DETERMINATION OF HOSPITAL-SPECIFIC PER ADMISSION RELATIVE VALUE.—Not later than October 1 of each year (beginning with 1997), the Secretary shall determine for each hospital—

''(A) the hospital-specific per admission relative value under subsection (b)(2) for the following year; and

''(B) whether such hospital-specific relative value is projected to exceed the allowable average per admission relative value applicable to the hospital for the following year under subsection (b)(1).

"(2) REDUCTION FOR SERVICES AT HOSPITALS EXCEEDING ALLOWABLE AVERAGE PER ADMISSION RELATIVE VALUE.—If the Secretary determines (under paragraph (1)) that a medical staff's hospital-specific per admission relative value for a year (beginning with 1998) is projected to exceed the allowable average per admission relative value applicable to the medical staff for the year, the Secretary shall reduce (in accordance with subsection (c)) the amount of payment otherwise determined under this part for each physician's service furnished during the year to an inpatient of the hospital by an individual who is a member of the hospital's medical staff.

"(3) TIMING OF DETERMINATION; NOTICE TO HOSPITALS AND CARRIERS.—Not later than October 1 of each year (beginning with 1997), the Secretary shall notify the medical executive committee of each hospital (as set forth in the Standards of the Joint Commission on the Accreditation of Health Organizations) of the determinations made with respect to the medical staff under paragraph (1).

"(b) DETERMINATION OF ALLOWABLE AVERAGE PER ADMISSION RELATIVE VALUE AND HOSPITAL-SPECIFIC PER ADMISSION RELATIVE VALUES.—

"(1) ALLOWABLE AVERAGE PER ADMISSION RELATIVE VALUE.—

"(A) URBAN HOSPITALS.—In the case of a hospital located in an urban area, the allowable average per admission relative value established under this subsection for a year is equal to 125 percent (or 120 percent for years after 1999) of the median of 1996 hospital-specific per admission relative values determined under paragraph (2) for all hospital medical staffs.

"(B) RURAL HOSPITALS.—In the case of a hospital located in a rural area, the allowable average per admission relative value established under this subsection for 1998 and each succeeding year, is equal to 140 percent of the median of the 1996 hospital-specific per admission relative values determined under paragraph (2) for all hospital medical staffs.

"(2) HOSPITAL-SPECIFIC PER ADMISSION RELATIVE VALUE.—

"(A) IN GENERAL.—The hospital-specific per admission relative value projected for a hospital (other than a teaching hospital) for a calendar year, shall be equal to the average per admission relative value (as determined under

section 1848(c)(2)) for physicians' services furnished to inpatients of the hospital by the hospital's medical staff (excluding interns and residents) during the second year preceding such calendar year, adjusted for variations in case-mix and disproportionate share status among hospitals (as determined by the Secretary under subparagraph (C)).

''(B) SPECIAL RULE FOR TEACHING HOSPITALS.—The hospital-specific relative value projected for a teaching hospital in a calendar year shall be equal to the sum of—

''(i) the average per admission relative value (as determined under section 1848(c)(2)) for physicians' services furnished to inpatients of the hospital by the hospital's medical staff (excluding interns and residents) during the second year preceding such calendar year; and

''(ii) the equivalent per admission relative value (as determined under section 1848(c)(2)) for physicians' services furnished to inpatients of the hospital by interns and residents of the hospital during the second year preceding such calendar

year, adjusted for variations in case-mix, disproportionate share status, and teaching status among hospitals (as determined by the Secretary under subparagraph (C)). The Secretary shall determine such equivalent relative value unit per admission for interns and residents based on the best available data for teaching hospitals and may make such adjustment in the aggregate.

''(C) ADJUSTMENT FOR TEACHING AND DISPROPORTIONATE SHARE HOSPITALS.—The Secretary shall adjust the allowable per admission relative values otherwise determined under this paragraph to take into account the needs of teaching hospitals and hospitals receiving additional payments under subparagraphs (F) and (G) of section 1886(d)(5). The adjustment for teaching status or disproportionate share shall not be less than zero.

''(c) AMOUNT OF REDUCTION.—The amount of payment otherwise made under this part for a physician's service that is subject to a reduction under subsection (a) during a year shall be reduced 15 percent, in the case of a service furnished by a member of the medical staff of

the hospital for which the Secretary determines under subsection (a)(1) that the hospital medical staff's projected relative value per admission exceeds the allowable average per admission relative value.

"(d) RECONCILIATION OF REDUCTIONS BASED ON HOSPITAL-SPECIFIC RELATIVE VALUE PER ADMISSION WITH ACTUAL RELATIVE VALUES.—

"(1) DETERMINATION OF ACTUAL AVERAGE PER ADMISSION RELATIVE VALUE.—Not later than October 1 of each year (beginning with 1999), the Secretary shall determine the actual average per admission relative value (as determined pursuant to section 1848(c)(2)) for the physicians' services furnished by members of a hospital's medical staff to inpatients of the hospital during the previous year, on the basis of claims for payment for such services that are submitted to the Secretary not later than 90 days after the last day of such previous year. The actual average per admission shall be adjusted by the appropriate case-mix, disproportionate share factor, and teaching factor for the hospital medical staff (as determined by the Secretary under subsection (b)(2)(C)). Notwithstanding any other provision of this title, no payment may be made under this part for any physician's service furnished by a

member of a hospital's medical staff to an inpatient of the hospital during a year unless the hospital submits a claim to the Secretary for payment for such service not later than 90 days after the last day of the year.

''(2) RECONCILIATION WITH REDUCTIONS TAKEN.—In the case of a hospital for which the payment amounts for physicians' services furnished by members of the hospital's medical staff to inpatients of the hospital were reduced under this section for a year—

''(A) if the actual average per admission relative value for such hospital's medical staff during the year (as determined by the Secretary under paragraph (1)) did not exceed the allowable average per admission relative value applicable to the hospital's medical staff under subsection (b)(1) for the year, the Secretary shall reimburse the fiduciary agent for the medical staff by the amount by which payments for such services were reduced for the year under subsection (c), including interest at an appropriate rate determined by the Secretary;

''(B) if the actual average per admission relative value for such hospital's medical staff

during the year is less than 15 percentage points above the allowable average per admission relative value applicable to the hospital's medical staff under subsection (b)(1) for the year, the Secretary shall reimburse the fiduciary agent for the medical staff, as a percent of the total allowed charges for physicians' services performed in such hospital (prior to the withhold), the difference between 15 percentage points and the actual number of percentage points that the staff exceeds the limit allowable average per admission relative value, including interest at an appropriate rate determined by the Secretary; and

''(C) if the actual average per admission relative value for such hospital's medical staff during the year exceeded the allowable average per admission relative value applicable to the hospital's medical staff by 15 percentage points or more, none of the withhold is paid to the fiduciary agent for the medical staff.

''(3) MEDICAL EXECUTIVE COMMITTEE OF A HOSPITAL.—Each medical executive committee of a hospital whose medical staff is projected to exceed the allowable relative value per admission for a year,

shall have one year from the date of notification that such medical staff is projected to exceed the allowable relative value per admission to designate a fiduciary agent for the medical staff to receive and disburse any appropriate withhold amount made by the carrier.

''(4) ALTERNATIVE REIMBURSEMENT TO MEMBERS OF STAFF.—At the request of a fiduciary agent for the medical staff, if the fiduciary agent for the medical staff is owed the reimbursement described in paragraph (2)(B) for excess reductions in payments during a year, the Secretary shall make such reimbursement to the members of the hospital's medical staff, on a pro-rata basis according to the proportion of physicians' services furnished to inpatients of the hospital during the year that were furnished by each member of the medical staff.

''(e) DEFINITIONS.—In this section, the following definitions apply:

''(1) MEDICAL STAFF.—An individual furnishing a physician's service is considered to be on the medical staff of a hospital—

''(A) if (in accordance with requirements for hospitals established by the Joint Commis-

sion on Accreditation of Health Organizations)—

''(i) the individual is subject to bylaws, rules, and regulations established by the hospital to provide a framework for the self-governance of medical staff activities;

''(ii) subject to such bylaws, rules, and regulations, the individual has clinical privileges granted by the hospital's governing body; and

''(iii) under such clinical privileges, the individual may provide physicians' services independently within the scope of the individual's clinical privileges, or

''(B) if such physician provides at least one service to a medicare beneficiary in such hospital.

''(2) RURAL AREA; URBAN AREA.—The terms 'rural area' and 'urban area' have the meaning given such terms under section 1886(d)(2)(D).

''(3) TEACHING HOSPITAL.—The term 'teaching hospital' means a hospital which has a teaching program approved as specified in section 1861(b)(6).''.

(2) CONFORMING AMENDMENTS.—(A) Section 1833(a)(1)(N) of such Act (42 U.S.C.

1395l(a)(1)(N)) is amended by inserting ''(subject to reduction under section 1849)'' after ''1848(a)(1)''.

(B) Section 1848(a)(1)(B) of such Act (42 U.S.C. 1395w@4(a)(1)(B)) is amended by striking ''this subsection,'' and inserting ''this subsection and section 1849,''.

(b) REQUIRING PHYSICIANS TO IDENTIFY HOSPITAL AT WHICH SERVICE FURNISHED.—Section 1848(g)(4)(A)(i) of such Act (42 U.S.C. 1395w@4(g)(4)(A)(i)) is amended by striking ''beneficiary,'' and inserting ''beneficiary (and, in the case of a service furnished to an inpatient of a hospital, report the hospital identification number on such claim form),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1998.

SEC. 12406. REDUCTION IN UPDATE FOR INPATIENT HOSPITAL SERVICES.

Section 1886(b)(3)(B)(i) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

(1) in subclause (XII)—

(A) by striking ''fiscal year 1997'' and inserting ''for each of the fiscal years 1997 through 2000'', and

(B) by striking ''0.5 percentage point'' and inserting ''2.0 percentage points''; and

(2) in subclause (XIII), by striking ''fiscal year 1998'' and inserting ''fiscal year 2003''.

SEC. 12407. ESTABLISHMENT OF CUMULATIVE EXPENDITURE GOALS FOR PHYSICIAN SERVICES.

(a) USE OF CUMULATIVE PERFORMANCE STANDARD.—Section 1848(f)(2) of the Social Security Act (42 U.S.C. 1395w@4(f)(2)) is amended—

(1) in subparagraph (A)—

(A) in the heading, by striking ''IN GENERAL'' and inserting ''FISCAL YEARS 1991 THROUGH 1994.—'',

(B) in the matter preceding clause (i), by striking ''a fiscal year (beginning with fiscal year 1991)'' and inserting ''fiscal years 1991, 1992, 1993, and 1994'', and

(C) in the matter following clause (iv), by striking ''subparagraph (B)'' and inserting ''subparagraph (C)'';

(2) in subparagraph (B), by striking ''subparagraph (A)'' and inserting ''subparagraphs (A) and (B)'';

(3) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D); and

(4) by inserting after subparagraph (A) the following new subparagraph:

''(B) FISCAL YEARS BEGINNING WITH FISCAL YEAR 1995.—Unless Congress otherwise provides, the performance standard rate of increase, for all physicians' services and for each category of physicians' services, for a fiscal year beginning with fiscal year 1995 shall be equal to the performance standard rate of increase determined under this paragraph for the previous fiscal year, increased by the product of—

''(i) 1 plus the Secretary's estimate of the weighted average percentage increase (divided by 100) in the fees for all physicians' services or for the category of physicians' services, respectively, under this part for portions of calendar years included in the fiscal year involved,

''(ii) 1 plus the Secretary's estimate of the percentage increase or decrease (divided by 100) in the average number of individuals enrolled under this part (other than HMO enrollees) from the previous fiscal year to the fiscal year involved,

''(iii) 1 plus the Secretary's estimate of the average annual percentage growth (divided by 100) in volume and intensity of all physicians' services or of the category of physicians' services, respectively, under this part for the 5-fiscal-year period ending with the preceding fiscal year (based upon information contained in the most recent annual report made pursuant to section 1841(b)(2)), and

''(iv) 1 plus the Secretary's estimate of the percentage increase or decrease (divided by 100) in expenditures for all physicians' services or of the category of physicians' services, respectively, in the fiscal year (compared with the previous fiscal year) which are estimated to result from changes in law or regulations affecting the percentage increase described in clause (i) and which is not taken into account in the percentage increase described in clause (i), minus 1, multiplied by 100, and reduced by the performance standard factor (specified in subparagraph (C)).''.

(b) TREATMENT OF DEFAULT UPDATE.—

(1) IN GENERAL.—Section 1848(d)(3)(B) (42 U.S.C. 1395w@4(d)(3)(B)) is amended—

(A) in clause (i)—

(i) in the heading, by striking ''IN GENERAL'' and inserting ''1992 THROUGH 1996'', and

(ii) by striking ''for a year'' and inserting ''for 1992, 1993, 1994, 1995, and 1996''; and

(B) by adding after clause (ii) the following new clause:

''(iii) YEARS BEGINNING WITH 1997.—

''(I) IN GENERAL.—The update for a category of physicians' services for a year beginning with 1997 provided under subparagraph (A) shall be increased or decreased by the same percentage by which the cumulative percentage increase in actual expenditures for such category of physicians' services for such year was less or greater, respectively, than the performance standard rate of increase (established under subsection (f)) for

such category of services for such year.

''(II) CUMULATIVE PERCENTAGE INCREASE DEFINED.—In subclause (I), the 'cumulative percentage increase in actual expenditures' for a year shall be equal to the product of the adjusted increases for each year beginning with 1995 up to and including the year involved, minus 1 and multiplied by 100. In the previous sentence, the 'adjusted increase' for a year is equal to 1 plus the percentage increase in actual expenditures for the year.''.

(2) CONFORMING AMENDMENT.—Section 1848(d)(3)(A)(i) (42 U.S.C. 1395w@4(d)(3)(A)(i)) is amended by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''.

SEC. 12408. EXTENSION OF FREEZE ON UPDATES TO ROUTINE SERVICE COSTS OF SKILLED NURSING FACILITIES.

(a) PAYMENTS BASED ON COST LIMITS.—Section 1888(a) of the Social Security Act (42 U.S.C. 1395yy(a)) is amended by striking ''112 percent'' each place it ap-

pears and inserting ''100 percent (adjusted by such amount as the Secretary determines to be necessary to preserve the savings resulting from the enactment of section 13503(a)(1) of the Omnibus Budget Reconciliation Act of 1993)''.

(b) PAYMENTS DETERMINED ON PROSPECTIVE BASIS.—Section 1888(d)(2)(B) of such Act (42 U.S.C. 1395yy(d)(2)(B)) is amended by striking ''105 percent'' and inserting ''100 percent (adjusted by such amount as the Secretary determines to be necessary to preserve the savings resulting from the enactment of section 13503(b) of the Omnibus Budget Reconciliation Act of 1993)''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and(b) shall apply to cost reporting periods beginning on or after October 1, 1995.

SEC. 12409. REDUCTION IN ROUTINE COST LIMITS FOR HOME HEALTH SERVICES.

(a) REDUCTION IN UPDATE TO MAINTAIN FREEZE IN 1996.—Section 1861(v)(1)(L)(i) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(i)) is amended—

(1) in subclause (II), by striking ''or'' at the end;

(2) in subclause (III), by striking ''112 percent,'' and inserting ''and before July 1, 1996, 112 percent, or''; and

(3) by inserting after subclause (III) the following new subclause:

''(IV) July 1, 1996, 100 percent (adjusted by such amount as the Secretary determines to be necessary to preserve the savings resulting from the enactment of section 13564(a)(1) of the Omnibus Budget Reconciliation Act of 1993),''.

(b) BASING LIMITS IN SUBSEQUENT YEARS ON MEDIAN OF COSTS.—

(1) IN GENERAL.—Section 1861(v)(1)(L)(i) of such Act (U.S.C. 1395x(v)(1)(L)(i)), as amended by subsection (a), is amended in the matter following subclause (IV) by striking ''the mean'' and inserting ''the median''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after July 1, 1997.

SEC. 12410. ELIMINATION OF FORMULA-DRIVEN OVERPAYMENTS FOR CERTAIN OUTPATIENT HOSPITAL SERVICES.

(a) AMBULATORY SURGICAL CENTER PROCEDURES.—Section 1833(i)(3)(B)(i)(II) of the Social Security Act (42 U.S.C. 1395l(i)(3)(B)(i)(II)) is amended—

(1) by striking ''of 80 percent''; and

(2) by striking the period at the end and inserting the following: ‘‘, less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A).’’.

(b) RADIOLOGY SERVICES AND DIAGNOSTIC PROCEDURES.—Section 1833(n)(1)(B)(i)(II) of such Act (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended—

(1) by striking ‘‘of 80 percent’’; and

(2) by striking the period at the end and inserting the following: ‘‘, less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A).’’.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished during portions of cost reporting periods occurring on or after July 1, 1994.

TITLE XIII—INCOME SECURITY

Subtitle A—Administrative Reform

SEC. 13001. ELIMINATION OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) ELIMINATION OF DEPARTMENT.—

(1) IN GENERAL.—The Department of Housing and Urban Development Act (42 U.S.C. 3531 et seq.) is hereby repealed.

(2) EFFECTIVE DATE.—Paragraph (1) shall take effect on January 1, 1998.

(b) TERMINATION OF GNMA.—Section 302(a)(2)(A) of the National Housing Act (12 U.S.C. 1717(a)(2)(A)) is amended by adding at the end the following new sentences: ''Upon January 1, 1988 (or such earlier date as provided in the plan of the Secretary of Housing and Urban Development under section 13001(b) of the Restructuring a Limited Government Act), the body corporate described in this subparagraph shall cease to exist. Upon such date, any authority of the Department of Housing and Urban Development under this Act or any other Act to carry out duties and functions of the Association shall terminate, except to the extent provided in such plan as necessary to meet any outstanding obligations of the Association.''.

(c) DUTIES OF THE SECRETARY.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other provision of law, prior to January 1, 1998, the Secretary of Housing and Urban Development (hereafter in this section referred to as the ''Secretary'') shall take such actions as may be necessary to—

(A) consolidate the programs administered by the Department of Housing and Urban Development into a block grant program;

(B) convert all funding for public and assisted housing under the United States Housing Act of 1937 to tenant-based rental assistance;

(C) convert the Federal Housing Administration into a government-controlled corporation, which would provide mortgage insurance only to low- and moderate-income persons under risk-sharing agreements with private mortgage insurers;

(D) transfer, if the Secretary determines appropriate and feasible, the functions of the Government National Mortgage Association to the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, fulfill any outstanding obligations of the Government National Mortgage Association, and windup the business of such Association; and

(E) otherwise provide for the complete elimination of the Department of Housing and Urban Development pursuant to subsections (a) and (b).

(2) SUBMISSIONS TO CONGRESS.—

(A) STRATEGIC PLAN.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Congress a plan to carry out paragraph (1), which shall include any recommendations for—

(i) legislation necessary to carry out paragraph (1);

(ii) transfers of functions and activities, including all existing obligations to other existing or successor Federal or State agencies.

(B) PRIVATIZATION OF FHA.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Congress a report which shall include—

(i) recommendations and a strategic plan for the complete privatization of the Federal Housing Administration; and

(ii) a description of the projected cost savings to the Federal Government that would be achieved through the complete privatization of the Federal Housing Administration.

(d) CONGRESSIONAL BUDGET OFFICE RECOMMENDATIONS.—Not later than 180 days after the date

of enactment of this Act, the Director of the Congressional Budget Office shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a list of recommendations for minimizing the cost of Federal housing and community development programs through the elimination of the Department of Housing and Urban Development.

(e) GAO REPORT.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report which shall include recommendations for the most efficient means of achieving—

(1) the complete elimination of the Department of Housing and Urban Development; and

(2) the transfer of the functions of the Department of Housing and Urban Development to other existing or successor Federal or State agencies.

(f) TRANSFER OF FUNCTIONS AND SAVINGS PROVISIONS.—

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context—

(A) the term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code;

(B) the term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(C) the term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Department of Justice all functions which the Secretary of Housing and Urban Development exercised before the date of the enactment of this Act (including all related functions of any officer or employee of the Department of Housing and Urban Development) relating to the Fair Housing Act or the rights granted under the Fair Housing Act.

(3) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the Office of Management and Budget

shall make any determination of the functions that are transferred under paragraph (2).

(4) PERSONNEL PROVISIONS.—

(A) APPOINTMENTS.—The attorney general may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the respective functions transferred under this subsection. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(B) EXPERTS AND CONSULTANTS.—The Attorney General may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including travel time) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Attorney General may pay experts and consultants who are serving away from their homes or regular place of business travel

expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(5) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this subsection, the Attorney General may delegate any of the functions transferred to the Attorney General by this title and any function transferred or granted to such Attorney General after the effective date of this subsection to such officers and employees of the Department of Justice as the Attorney General may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Attorney General under this paragraph or under any other provision of this subsection shall relieve such Attorney General of responsibility for the administration of such functions.

(6) REORGANIZATION.—The Attorney General is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Department of Justice, and to establish, consolidate, alter, or discontinue such organizational en-

tities in the Department of Justice as may be necessary or appropriate.

(7) RULES.—The Attorney General is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Attorney General determines necessary or appropriate to administer and manage the functions of the Department of Justice.

(8) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Department of Justice. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(9) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this subsection, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be necessary to effectuate the purposes of this subsection.

(10) EFFECT ON PERSONNEL.—

(A) IN GENERAL.—Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be sepa-

rated or reduced in grade or compensation for one year after the date of transfer of such employee under this subsection.

(B) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department of Justice to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(C) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

(11) SAVINGS PROVISIONS.—

(A) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(i) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this subsection, and

(ii) which are in effect at the time this subsection takes effect, or were final before the effective date of this subsection and are to become effective on or after the effective date of this subsection,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Attorney General or other authorized official, a court of competent jurisdiction, or by operation of law.

(B) PROCEEDINGS NOT AFFECTED.—The provisions of this subsection shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of Housing and Urban Development at the time this subsection takes effect, with respect to functions transferred by this subsection but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subsection had not been enacted.

(C) SUITS NOT AFFECTED.—The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, 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.

(D) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Housing and Urban Development, or by or against any individual in the official capacity of such individual as an officer of the Department of Housing and Urban Development, shall abate by reason of the enactment of this subsection.

(E) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Department of Housing and Urban Development relating to a function transferred under this subsection may be continued by the Department of Justice with the same effect as if this subsection had not been enacted.

(12) SEPARABILITY.—If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

(13) TRANSITION.—The Attorney General is authorized to utilize—

(A) the services of such officers, employees, and other personnel of the Department of Housing and Urban Development with respect to functions transferred to the Department of Justice by this subsection; and

(B) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subsection.

(14) REFERENCES.—Reference in any other Federal law, executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(A) the Secretary of Housing and Urban Development with regard to functions transferred under paragraph (2), shall be deemed to refer to the Attorney General; and

(B) the Department of Housing and Urban Development with regard to functions transferred under paragraph (2), shall be deemed to refer to the Department of Justice.

(15) ADDITIONAL CONFORMING AMENDMENTS.—

(A) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Attorney General shall prepare and submit to the Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this subsection.

(B) SUBMISSION TO THE CONGRESS.—No later than 6 months after the effective date of this subsection, the Attorney General shall submit the recommended legislation referred to under subparagraph (A).

(16) EFFECTIVE DATE.—This subsection shall take effect 180 days after the date of enactment of this Act.

Subtitle B—Housing Program Reforms

SEC. 13101. ELIMINATION OF OPERATING SUBSIDIES FOR VACANT PUBLIC HOUSING.

(a) IN GENERAL.—Section 9(a)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(B)) is amended—

(1) in clause (iv), by striking ''and'' at the end;

(2) in clause (v), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new clause:

''(vi) no payment may be provided under this section for any dwelling unit that has been vacant for a period of 180 days or more unless such unit is vacant because of comprehensive modernization, major reconstruction, demolition, or disposition activities that have been funded or approved.''.

(b) ELIMINATION OF ANNUAL CONTRIBUTION RESERVE.—Section 14(p) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)) is amended by striking paragraph (3).

(c) RECAPTURE OF ANNUAL CONTRIBUTION RESERVE.—The Secretary of Housing and Urban Development shall recapture any amounts reserved from annual

contributions for public housing agencies and deposited in accounts established on behalf of the agencies pursuant to paragraph (3) of section 14(p) of the United States Housing Act of 1937 (as in effect immediately before the date of the enactment of this Act).

SEC. 13102. INCREASE OF TENANT CONTRIBUTIONS.

(a) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended as follows:

(1) GENERAL RULE FOR SECTION 8 AND PUBLIC HOUSING.—In section 3(a)(1)(A), by striking ''30 per centum'' and inserting ''35 percent''.

(2) SECTION 8 VOUCHERS.—In section 8(o)—

(A) in paragraph (2), by striking ''30 per centum'' and inserting ''35 percent''; and

(B) in paragraph (11)(B)(ii), by striking ''30 percent'' and inserting ''35 percent''.

(3) SECTION 8 ASSISTANCE FOR RENTAL REHABILITATION PROJECTS.—In section 8(u)(2), by striking ''30 percent'' and inserting ''35 percent''.

(4) SECTION 8 HOMEOWNERSHIP ASSISTANCE.—In section 8(y)(2)(A), by striking ''30 percent'' and inserting ''35 percent''.

(5) DISPLACEMENT ASSISTANCE.—In section 16(d)(1), by striking ''30 percent'' and inserting ''35 percent''.

(6) FAMILY SELF-SUFFICIENCY PROGRAM.—In section 23(d), by striking ''30 percent'' each place it appears and inserting ''35 percent''.

(7) MUTUAL HELP HOMEOWNERSHIP PROGRAM FOR INDIAN HOUSING.—In section 202(e)(2)(A)(i)(I), by striking ''30 percent'' and inserting ''35 percent''.

(b) SECTION 8 ASSISTANCE FOR PRESERVATION OF STATE-SPONSORED LOW-INCOME HOUSING.—Section 613(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 4125(b)(2)) is amended by striking ''30 percent'' and inserting ''35 percent''.

(c) LOW-INCOME HOUSING PRESERVATION PROGRAMS.—

(1) LIHPRH ACT OF 1990.—The Low-Income Housing Preservation and Resident Homeownership Act of 1990 is amended—

(A) in section 218(a)(1)(A) (12 U.S.C. 4108(a)(1)(A)), by striking ''30 percent'' and inserting ''35 percent''; and

(B) in section 222(a)(2)(D)(i) (12 U.S.C. 4112(a)(2)(D)(i)), by striking ''30 percent'' and inserting ''35 percent''.

(2) ELIHP ACT OF 1987.—Any reference in the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act) to 30 percent of the adjusted income of a tenant or family shall be considered to mean 35 percent of such adjusted income, for purposes of the applicability of the provisions of the Emergency Low Income Housing Preservation Act of 1987 pursuant to section 604 of the Cranston-Gonzalez National Affordable Housing Act.

SEC. 13103. REDUCTION OF PHA ADMINISTRATIVE FEES FOR SECTION 8 RENTAL ASSISTANCE PROGRAM.

(a) MONTHLY FEE.—

(1) IN GENERAL.—Section 8(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)(1)) is amended—

(A) by striking the 2d sentence and inserting the following new sentences: ''In fiscal year 1996 the amount of the fee for each month for which a dwelling unit is covered by an assist-

ance contract shall be 7.2375 percent of the fair market rental established under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency. In fiscal year 1997 and in each fiscal year thereafter, the fee shall be 5.0 percent of such fair market rental.''; and

(B) in the last sentence, by striking ''fee'' and inserting ''amount of the fee established under this paragraph, for certain programs,''.

(2) EFFECTIVE DATE AND APPLICABILITY.—

(A) EFFECTIVE DATE.—The amendments under paragraph (1) shall be made on October 1, 1995.

(B) APPLICABILITY.—The amendments made by this subsection shall apply to any dwelling units covered by an assistance contract under section 8 of the United States Housing Act of 1937 in effect on October 1, 1995, and any units covered by such a contract entered into or renewed on or after such date.

(b) START-UP FEE.—

(1) IN GENERAL.—Section 8(q)(2)(A)(i) of the United States Housing Act of 1937 (42 U.S.C.

1437f(q)(2)(A)(i)) is amended by striking ''$275'' and inserting ''$590''.

(2) EFFECTIVE DATE.—The amendment under paragraph (1) shall be made and shall take effect on October 1, 1995.

Subtitle C—Supplemental Security Income Reforms

SEC. 13201. MORE TIMELY REPORTING OF ADMISSIONS OF SSI RECIPIENTS TO NURSING HOMES; $30 LIMIT ON SSI BENEFITS FOR RECIPIENTS IN NURSING HOMES IF MEDICAID PAYS MOST OF THEIR CARE COSTS.

Section 1631(e)(1)(C) of the Social Security Act (42 U.S.C. 1383(e)(1)(C)), as added by section 6(a) of the Social Security Domestic Employment Reform Act of 1994, is amended by striking ''2 weeks'' and inserting ''1 day''.

SEC. 13202. REDUCED UNEARNED INCOME EXCLUSION UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Section 1612(b)(3)(A) of the Social Security Act (42 U.S.C. 1382a(b)(3)(A)) is amended by striking ''$20'' and inserting ''$15''.

SEC. 13203. RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

''RECOVERY OF SSI OVERPAYMENTS FROM OASDI BENEFITS

''SEC. 1144. (a) Whenever the Commissioner of Social Security determines that more than the correct amount of supplemental security income benefits has been paid to any person and the Commissioner is unable to make proper adjustment or recovery of the amount so incorrectly paid as provided in section 1631(b), the Commissioner (notwithstanding section 207) may recover the amount incorrectly paid by reducing monthly insurance benefits otherwise payable under title II to such person or such person's estate.

''(b) Together with any certification for payment of monthly insurance benefits under title II pursuant to section 205(i), the Commissioner shall include a certification of the amount of any reduction in such benefits made pursuant to subsection (a). Upon receipt of such certification of the amount of the reduction, the Secretary of the Treasury, as Managing Trustee of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, shall transfer an amount equal to

the amount of such reduction as so certified from the appropriate Trust Fund to the general fund of the Treasury.

''(c) For purposes of this section, the term 'supplemental security income benefit' means a benefit under title XVI, including a supplementary payment of the type described in section 1616(a) and a payment pursuant to an administration agreement entered into under section 212(b) of Public Law 93–66.''.

(b) CONFORMING AMENDMENT.—Section 1631(b) of such Act (42 U.S.C. 1383(b)) is amended by adding at the end the following new paragraph:

''(6) For provisions relating to the recovery of overpayments under this title by means of reduction in benefits otherwise payable under title II, see section 1144.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to overpayments outstanding on or after such date.

Subtitle D—Civil Service Reforms

SEC. 13301. INCREASE IN RETIREMENT AGE UNDER FERS TO 65.

(a) IN GENERAL.—Chapter 84 of title 5, United States Code, is amended by adding at the end the following:

''SUBCHAPTER VIII—SPECIAL RULES FOR CERTAIN POST-1993 NEW EMPLOYEES AND MEMBERS

"§ 8481. Applicability

''(a) This subchapter sets forth special rules in conformance with which this chapter shall be applied with respect to any employee who first becomes an employee subject to this chapter, or who is first elected as a Member, after December 31, 1994.

''(b) Nothing in this subchapter shall be considered to apply with respect to any employee or Member not described in subsection (a) or to have any effect except for the purpose referred to in such subsection.

"§ 8482. Immediate retirement

''Deem section 8412 to be amended as follows:

''(1) Subsection (c) is amended by striking '62' and inserting '65'.

''(2) Subsections (a), (b), (f), and (g) are repealed.

"§ 8483. Deferred retirement

''Deem section 8413 to be amended as follows:

''(1) Subsection (a) is amended by striking '62' and inserting '65'.

''(2) Subsection (b) is repealed.

"§ 8484. References to age 62

''(a) Deem section 8415 to be amended as follows:

''(1) Subsection (f) is repealed.

''(2) Subsection (g)(2)(B) is amended by striking 'is at least 62 years of age and'.

''(b) Deem section 8442 to be amended in subsections (c)(2)(B) and (g)(2)(B) by striking '62' each place it appears and inserting '65'.

''(c) Deem section 8452(b)(1) to be amended by striking 'sixty-second' and inserting 'sixty-fifth'.''.

(b) CHAPTER ANALYSIS.—The analysis for chapter 84 of title 5, United States Code, is amended by adding at the end the following:

''SPECIAL RULES FOR CERTAIN POST-1993 NEW EMPLOYEES AND MEMBERS

''8481. Applicability.
''8482. Immediate retirement.
''8483. Deferred retirement.
''8484. References to age 62.''.

SEC. 13302. DEFERRAL UNTIL AGE 62 OF COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES WHO FIRST ENTERED MILITARY SERVICE ON OR AFTER JANUARY 1, 1996.

Section 1401a(b)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: ''In the case of a member or former member under age 62 (other than a member retired under chapter 61 of this title) who first became a member on or after Janu-

ary 1, 1996, such increase shall not become payable as part of the retired pay of the member or former member until the month in which the member or former member becomes 62 years of age.''.

SEC. 13303. PROVISION RELATING TO GOVERNMENT CONTRIBUTIONS TO THE THRIFT SAVINGS PLAN.

Section 8432(c)(2)(B) of title 5, United States Code, is amended by adding at the end the following: ''Clause (ii) shall not apply with respect to any employee or Member described in section 8481(a).''.

Subtitle E—Assistance Program Reforms

SEC. 13401. LOW-INCOME HOME ENERGY ASSISTANCE.

Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended by inserting after the first sentence the following new sentence: ''There are authorized to be appropriated to carry out this title $700,000,000 for each of the fiscal years 1996 through 2000.''.

SEC. 13402. ADDITIONAL REQUIREMENTS FOR UNEMPLOYMENT BENEFITS.

(a) GENERAL RULE.—Subsection (a) of section 3304 of the Internal Revenue Code of 1986 (relating to approval of State laws) is amended by striking ''and'' at the end of paragraph (17), by redesignating paragraph (18) as

paragraph (20), and by inserting after paragraph (17) the following new paragraphs:

''(18) compensation shall not be payable to any individual for such individual's first 2 weeks of otherwise compensable unemployment during any benefit year; except that this paragraph shall not apply in the case of a benefit year which immediately follows the ending of a preceding benefit year for the individual;

''(19) compensation shall not be payable to any individual for any benefit year if the taxable income of such individual for such individual's most recent taxable year ending before the beginning of such benefit year exceeded $120,000; and''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 204(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to benefit years beginning after September 30, 1995.

(2) SPECIAL RULE.—In the case of any State the legislature of which has not been in session for at least 30 calendar days (whether or not successive) between the date of the enactment of this Act and September 30, 1995, the amendments made by this section shall apply to benefit years beginning after the day 30 calendar days after the first day on which such legislature is in session on or after September 30, 1995.

SEC. 13403. DENIAL OF UNEMPLOYMENT BENEFITS TO INDIVIDUALS WHO VOLUNTARILY LEAVE MILITARY SERVICE.

(a) GENERAL RULE.—Paragraph (1) of section 8521(a) of title 5, United States Code, is amended to read as follows:

''(1) 'Federal service' means active service (not including active duty in a reserve status unless for a continuous period of 45 days or more) in the armed forces or the commissioned corps of the National Oceanic and Atmospheric Administration if with respect to that service the individual—

''(A) was discharged or released under honorable conditions,

''(B) did not resign or voluntarily leave the service, and

''(C) was not discharged or released for cause as defined by the Secretary of Defense;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of a discharge or release after the date of the enactment of this Act.

SEC. 13404. INCREASE IN VARIABLE RATE PREMIUM CHARGED BY THE PENSION BENEFIT GUARANTY CORPORATION TO SINGLE-EMPLOYER PLANS.

(a) IN GENERAL.—Clause (ii) of section 4006(a)(3)(E) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)(ii)) is amended by striking ''$9.00'' and inserting ''$18.00''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to plan years beginning on or after January 1, 1997.

TITLE XIV—PERSONAL RESPONSIBILITY AND FAMILY PRESERVATION

SEC. 14001. SHORT TITLE.

This title may be cited as the ''Personal Responsibility Act of 1995''.

SEC. 14002. TABLE OF CONTENTS.

The table of contents of this title is as follows:

TITLE XIV—PERSONAL RESPONSIBILITY AND FAMILY PRESERVATION

Sec. 14001. Short title.
Sec. 14002. Table of contents.

Subtitle A—Block Grants for Temporary Assistance for Needy Families

Sec. 14100. Sense of the Congress.
Sec. 14101. Block grants to States.
Sec. 14102. Report on data processing.
Sec. 14103. Transfers.
Sec. 14104. Conforming amendments to the Social Security Act.
Sec. 14105. Conforming amendments to other laws.
Sec. 14106. Continued application of current standards under medicaid program.
Sec. 14107. Effective date.

Subtitle B—Child Protection Block Grant Program

Sec. 14201. Establishment of program.
Sec. 14202. Conforming amendments.
Sec. 14203. Continued application of current standards under Medicaid Program.
Sec. 14204. Effective date.
Sec. 14205. Sense of the Congress regarding timely adoption of children.

Subtitle C—Block Grants for Child Care and for Nutrition Assistance

CHAPTER 1—CHILD CARE BLOCK GRANTS

Sec. 14301. Amendments to the Child Care and Development Block Grant Act of 1990.
Sec. 14302. Repeal of child care assistance authorized by acts other than the Social Security Act.

CHAPTER 2—FAMILY AND SCHOOL-BASED NUTRITION BLOCK GRANTS

SUBCHAPTER A—FAMILY NUTRITION BLOCK GRANT PROGRAM

Sec. 14321. Amendment to Child Nutrition Act of 1966.

SUBCHAPTER B—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

Sec. 14341. Amendment to National School Lunch Act.

SUBCHAPTER C—MISCELLANEOUS PROVISIONS

Sec. 14361. Repealers.

CHAPTER 3—OTHER REPEALERS AND CONFORMING AMENDMENTS

Sec. 14371. Amendments to laws relating to child protection block grant.

CHAPTER 4—RELATED PROVISIONS

Sec. 14381. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
Sec. 14382. Data on program participation and outcomes.

CHAPTER 5—GENERAL EFFECTIVE DATE; PRESERVATION OF ACTIONS, OBLIGATIONS, AND RIGHTS

Sec. 14391. Effective date.
Sec. 14392. Application of amendments and repealers.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

Sec. 14400. Statements of national policy concerning welfare and immigration.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS PROGRAMS

Sec. 14401. Ineligibility of illegal aliens for certain public benefits programs.
Sec. 14402. Ineligibility of nonimmigrants for certain public benefits programs.
Sec. 14403. Limited eligibility of immigrants for 5 specified Federal public benefits programs.
Sec. 14404. Notification.

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

Sec. 14411. Ineligibility of illegal aliens for State and local public benefits programs.
Sec. 14412. Ineligibility of nonimmigrants for State and local public benefits programs.
Sec. 14413. State authority to limit eligibility of immigrants for State and local means-tested public benefits programs.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

Sec. 14421. Attribution of sponsor's income and resources to family-sponsored immigrants.
Sec. 14422. Requirements for sponsor's affidavit of support.

CHAPTER 4—GENERAL PROVISIONS

Sec. 14431. Definitions.
Sec. 14432. Construction.

CHAPTER 5—CONFORMING AMENDMENTS

Sec. 14441. Conforming amendments relating to assisted housing.

Subtitle E—Food Stamp Reform and Commodity Distribution

Sec. 14501. Short title.

CHAPTER 1—COMMODITY DISTRIBUTION PROVISIONS

Sec. 14511. Short title.
Sec. 14512. Availability of commodities.
Sec. 14513. State, local and private supplementation of commodities.
Sec. 14514. State plan.
Sec. 14515. Allocation of commodities to States.
Sec. 14516. Priority system for State distribution of commodities.
Sec. 14517. Initial processing costs.
Sec. 14518. Assurances; anticipated use.
Sec. 14519. Authorization of appropriations.
Sec. 14520. Commodity supplemental food program.
Sec. 14521. Commodities not income.
Sec. 14522. Prohibition against certain State charges.
Sec. 14523. Definitions.

Sec. 14524. Regulations.
Sec. 14525. Finality of determinations.
Sec. 14526. Sale of commodities prohibited.
Sec. 14527. Settlement and adjustment of claims.
Sec. 14528. Repealers; amendments.

CHAPTER 2—CONSOLIDATING FOOD ASSISTANCE PROGRAMS

Sec. 14541. Food stamp block grant program.
Sec. 14542. Availability of Federal coupon system to States.
Sec. 14543. Definitions.
Sec. 14544. Repealer.

CHAPTER 3—EFFECTIVE DATES AND MISCELLANEOUS PROVISIONS

Sec. 14591. Effective date; application of repealer.
Sec. 14592. Sense of the Congress.
Sec. 14593. Deficit reduction.

Subtitle F—Supplemental Security Income

Sec. 14601. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
Sec. 14602. Supplemental security income benefits for disabled children.
Sec. 14603. Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability.
Sec. 14604. Limitation on payments to Puerto Rico, the Virgin Islands, and Guam under programs of aid to the aged, blind, or disabled.
Sec. 14605. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.
Sec. 14606. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 14607. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 14608. Reapplication requirements for adults receiving SSI benefits by reason of disability.
Sec. 14609. Striking of restrictions regarding determination of ineligibility.
Sec. 14610. Narrowing of SSI eligibility on basis of mental impairments.

Subtitle G—Child Support

Sec. 14700. References.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

Sec. 14701. State obligation to provide child support enforcement services.
Sec. 14702. Distribution of child support collections.
Sec. 14703. Privacy safeguards.

CHAPTER 2—LOCATE AND CASE TRACKING

Sec. 14711. State case registry.
Sec. 14712. Collection and disbursement of support payments.
Sec. 14713. State directory of new hires.
Sec. 14714. Amendments concerning income withholding.
Sec. 14715. Locator information from interstate networks.
Sec. 14716. Expansion of the Federal parent locator service.

Sec. 14717. Collection and use of social security numbers for use in child support enforcement.

CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

Sec. 14721. Adoption of uniform State laws.
Sec. 14722. Improvements to full faith and credit for child support orders.
Sec. 14723. Administrative enforcement in interstate cases.
Sec. 14724. Use of forms in interstate enforcement.
Sec. 14725. State laws providing expedited procedures.

CHAPTER 4—PATERNITY ESTABLISHMENT

Sec. 14731. State laws concerning paternity establishment.
Sec. 14732. Outreach for voluntary paternity establishment.
Sec. 14733. Cooperation by applicants for and recipients of temporary family assistance.

CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

Sec. 14741. Federal matching payments.
Sec. 14742. Performance-based incentives and penalties.
Sec. 14743. Federal and State reviews and audits.
Sec. 14744. Required reporting procedures.
Sec. 14745. Automated data processing requirements.
Sec. 14746. Technical assistance.
Sec. 14747. Reports and data collection by the Secretary.

CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

Sec. 14751. Simplified process for review and adjustment of child support orders.
Sec. 14752. Furnishing consumer reports for certain purposes relating to child support.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

Sec. 14761. Federal income tax refund offset.
Sec. 14762. Authority to collect support from Federal employees.
Sec. 14763. Enforcement of child support obligations of members of the armed forces.
Sec. 14764. Voiding of fraudulent transfers.
Sec. 14765. Sense of the Congress that States should suspend drivers', business, and occupational licenses of persons owing past-due child support.
Sec. 14766. Work requirement for persons owing past-due child support.
Sec. 14767. Definition of support order.
Sec. 14768. Liens.
Sec. 14769. State law authorizing suspension of licenses.

CHAPTER 8—MEDICAL SUPPORT

Sec. 14771. Technical correction to ERISA definition of medical child support order.

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

Sec. 14781. Grants to States for access and visitation programs.

CHAPTER 10—EFFECT OF ENACTMENT

Sec. 14791. Effective dates.

CHAPTER 11—MISCELLANEOUS PROVISIONS

Sec. 14801. Scoring.
Sec. 14802. Provisions to encourage electronic benefit transfer systems.

Subtitle A—Block Grants for Temporary Assistance for Needy Families

SEC. 14100. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) marriage is the foundation of a successful society;

(2) marriage is an essential social institution which promotes the interests of children and society at large;

(3) the negative consequences of an out-of-wedlock birth on the child, the mother, and society are well documented as follows:

(A) the illegitimacy rate among black Americans was 26 percent in 1965, but today the rate is 68 percent and climbing;

(B) the illegitimacy rate among white Americans has risen tenfold, from 2.29 percent in 1960 to 22 percent today;

(C) the total of all out-of-wedlock births between 1970 and 1991 has risen from 10 per-

cent to 30 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock;

(D) ¾ of illegitimate births among whites are to women with a high school education or less;

(E) the 1-parent family is 6 times more likely to be poor than the 2-parent family;

(F) children born into families receiving welfare assistance are 3 times more likely than children not born into families receiving welfare to be on welfare when they reach adulthood;

(G) teenage single parent mothering is the single biggest contributor to low birth weight babies;

(H) children born out-of-wedlock are more likely to experience low verbal cognitive attainment, child abuse, and neglect;

(I) young people from single parent or stepparent families are 2 to 3 times more likely to have emotional or behavioral problems than those from intact families;

(J) young white women who were raised in a single parent family are more than twice as likely to have children out-of-wedlock and to be-

come parents as teenagers, and almost twice as likely to have their marriages end in divorce, as are children from 2-parent families;

(K) the younger the single parent mother, the less likely she is to finish high school;

(L) young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time;

(M) between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000;

(N) the absence of a father in the life of a child has a negative effect on school performance and peer adjustment;

(O) the likelihood that a young black man will engage in criminal activities doubles if he is raised without a father and triples if he lives in a neighborhood with a high concentration of single parent families; and

(P) the greater the incidence of single parent families in a neighborhood, the higher the incidence of violent crime and burglary; and

(4) in light of this demonstration of the crisis in our Nation, the reduction of out-of-wedlock births is an important government interest and the policy contained in provisions of this subtitle address the crisis.

SEC. 14101. BLOCK GRANTS TO STATES.

Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by striking part A, except sections 403(h) and 417, and inserting the following:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

''The purpose of this part is to increase the flexibility of States in operating a program designed to—

''(1) provide assistance to needy families so that the children in such families may be cared for in their homes or in the homes of relatives;

''(2) end the dependence of needy parents on government benefits by promoting work and marriage; and

''(3) discourage out-of-wedlock births.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

''(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the

fiscal year, has submitted to the Secretary a plan that includes the following:

''(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

''(A) Conduct a program designed to—

''(i) provide cash benefits to needy families with children; and

''(ii) provide parents of children in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

''(B) Require at least 1 parent of a child in any family which has received benefits for more than 24 months (whether or not consecutive) under the program to engage in work activities (as defined by the State).

''(C) Ensure that parents receiving assistance under the program engage in work activities in accordance with section 404.

''(D) Treat interstate immigrants, if families including such immigrants are to be treated differently than other families.

''(E) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving benefits under the program.

''(F) Take actions to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

''(i) avoid subsequent pregnancies; and

''(ii) provide adequate care to their children.

''(G) Reduce teenage pregnancy, including (at the option of the State) through the provision of education and counseling to male and female teenagers.

''(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child support enforcement program under the State

plan approved under part D, in a manner that complies with the requirements of such part.

''(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child protection program in accordance with part B, which includes a foster care program and an adoption assistance program.

''(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a).

"SEC. 403. PAYMENTS TO STATES.

''(a) ENTITLEMENTS.—

''(1) GRANTS FOR FAMILY ASSISTANCE.—

''(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State family assistance grant for the fiscal year.

''(B) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—The amount of the grant payable to a State under subparagraph (A) for fiscal year

1998 or any succeeding fiscal year shall be increased by—

"(i) 5 percent if the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; or

"(ii) 10 percent if the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995.

"(2) SUPPLEMENTAL GRANTS TO ADJUST FOR POPULATION INCREASES.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for each of fiscal years 1997, 1998, 1999, and 2000, a grant in an amount equal to the State proportion of $100,000,000.

"(b) DEFINITIONS.—As used in this section:

"(1) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—The term 'State family assistance grant' means, with respect to a fiscal year, the provisional State family assist-

ance grant adjusted in accordance with subparagraph (C).

''(B) PROVISIONAL STATE FAMILY ASSISTANCE GRANT.—The term 'provisional State family assistance grant' means—

''(i) the greater of—

''(I) ⅓ of the total amount of obligations to the State under section 403 of this title (as in effect before October 1, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of section 402 of this title (as so in effect)); or

''(II) the total amount of obligations to the State under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of section 402 of this title (as so in effect)); multiplied by

''(ii)(I) the total amount of outlays to all of the States under such section 403 for fiscal year 1994 (other than with re-

spect to amounts expended for child care under subsection (g) or (i) of section 402 of this title (as so in effect)); divided by

''(II) the total amount of obligations to all of the States under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of section 402 of this title (as so in effect)).

''(C) PROPORTIONAL ADJUSTMENT.—The Secretary shall determine the percentage (if any) by which each provisional State family assistance grant must be reduced or increased to ensure that the sum of such grants equals $15,390,296,000, and shall adjust each provisional State family assistance grant by the percentage so determined.

''(2) ILLEGITIMACY RATIO.—The term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

''(A) the sum of—

''(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; and

''(ii) the amount (if any) by which the number of abortions performed in the State during the most recent fiscal year for which such information is available exceeds the number of abortions performed in the State during the fiscal year that immediately precedes such most recent fiscal year; divided by

''(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

''(3) STATE PROPORTION.—The term 'State proportion' means, with respect to a fiscal year, the amount that bears the same ratio to the amount specified in subsection (a)(2) as the increase (if any) in the population of the State for the most recent fiscal year for which such information is available over the population of the State for the fiscal year that immediately precedes such most recent fiscal year bears to the total increase in the population of all States which have such an increase in population, as determined by the Secretary using data from the Bureau of the Census.

''(4) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

''(5) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

''(c) USE OF GRANT.—

''(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part, subject to this part, including to provide noncash assistance to mothers who have not attained 18 years of age and their children and to provide low income households with assistance in meeting home heating and cooling costs. Notwithstanding any other provision of this Act, a State to which a grant is made under section 403 may not use any part of the grant to provide medical services.

''(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has

moved to the State from the other State and has resided in the State for less than 12 months.

''(3) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

''(A) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under this section for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

''(i) Part B of this title.

''(ii) Title XX of this Act.

''(iii) Any provision of law, enacted into law during the 104th Congress, under which grants are made to States for food and nutrition.

''(iv) The Child Care and Development Block Grant Act of 1990.

''(B) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in subparagraph (A) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly

under the provision of law to carry out the program.

''(4) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR EMERGENCY BENEFITS.—A State may reserve amounts paid to the State under this section for any fiscal year for the purpose of providing emergency assistance under the State program operated under this part.

''(5) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under this section is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

''(d) TIMING OF PAYMENTS.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

''(e) PENALTIES.—

''(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—

''(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section for a fiscal year has

been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under this section for the immediately succeeding fiscal year by the amount so used.

''(B) LIMITATION ON AMOUNT OF PENALTY.—In carrying out subparagraph (A), the Secretary shall not reduce any quarterly payment by more than 25 percent.

''(C) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) prevents the Secretary from recovering during a fiscal year the full amount of a penalty imposed on a State under subparagraph (A) for a prior fiscal year, the Secretary shall apply subparagraph (A) to the grant otherwise payable to the State under this section for the immediately succeeding fiscal year.

''(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

''(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 406 for the fiscal year, the Secretary shall reduce by 3 percent the

amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and section 404(c)(2)) be payable to the State under subsection (a)(1)(A) for the immediately succeeding fiscal year.

''(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

''(3) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by 1 percent the amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and section 404(c)(2)) be payable to the State under subsection (a)(1)(A) for the fiscal year.

''(f) LIMITATION ON FEDERAL AUTHORITY.—The Secretary may not regulate the conduct of States under

this part or enforce any provision of this part, except to the extent expressly provided in this part.

''(g) FEDERAL RAINY DAY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Federal Rainy Day Fund'.

''(2) DEPOSITS INTO FUND.—

''(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,000,000,000 are hereby appropriated for fiscal year 1996 for payment to the Federal Rainy Day Fund.

''(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

''(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

''(4) USE OF FUND.—

''(A) LOANS TO QUALIFIED STATES.—

"(i) IN GENERAL.—The Secretary shall make loans from the fund to any qualified State for a period to maturity of not more than 3 years.

"(ii) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under clause (i) at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(iii) MAXIMUM LOAN.—The amount of any loan made to a State under clause (i) during a fiscal year shall not exceed the lesser of—

"(I) 50 percent of the amount of the grant payable to the State under this section for the fiscal year; or

"(II) $100,000,000.

"(B) QUALIFIED STATE DEFINED.—A State is a qualified State for purposes of subparagraph (A) if the unemployment rate of the State (as determined by the Bureau of Labor

Statistics) for the most recent 3-month period for which such information is available is—

''(i) more than 6.5 percent; and

''(ii) at least 110 percent of such rate for the corresponding 3-month period in either of the 2 immediately preceding calendar years.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

''(a) PARTICIPATION RATE REQUIREMENTS.—

''(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

''(B) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS

NOT REQUIRED BY FEDERAL LAW.—The minimum participation rate otherwise required by subparagraph (A) for a fiscal year shall be reduced by a percentage equal to the percentage (if any) by which the number of families receiving assistance during the fiscal year under the State program funded under this part is less than the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date, except to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

''(C) PARTICIPATION RATE.—For purposes of this paragraph:

''(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

''(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

''(I) the number of families receiving cash assistance under the State program funded under this part which include an individual who is engaged in work activities for the month; divided by

''(II) the total number of families receiving cash assistance under the State program funded under this part during the month which include an individual who has attained 18 years of age.

''(iii) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is making progress in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to

participate in work activities, an activity described in subsection (b)(1)(E)):

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

''(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	50
1997	50
1998 or thereafter	90.

''(B) PARTICIPATION RATE.—For purposes of this paragraph:

''(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation

rates of the State for each month in the fiscal year.

''(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

''(I) the number of 2-parent families receiving cash assistance under the State program funded under this part which include at least 1 adult who is engaged in work activities for the month; divided by

''(II) the total number of 2-parent families receiving cash assistance under the State program funded under this part during the month.

''(iii) ENGAGED.—An adult is engaged in work activities for a month in a fiscal year if the adult is making progress in such activities for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to

participate in work activities, an activity described in subsection (b)(1)(E)).

''(b) DEFINITIONS.—As used in this section:

''(1) WORK ACTIVITIES.—The term 'work activities' means—

''(A) unsubsidized employment;

''(B) subsidized private sector employment;

''(C) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

''(D) on-the-job training;

''(E) job search and job readiness assistance;

''(F) education directly related to employment, in the case of a recipient who has not attained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency;

''(G) job skills training directly related to employment; or

''(H) at the option of the State, satisfactory attendance at secondary school, in the case of a recipient who—

"(i) has not completed secondary school; and

"(ii) is a dependent child, or a head of household who has not attained 20 years of age.

"(2) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(c) PENALTIES.—

"(1) AGAINST INDIVIDUALS.—

"(A) APPLICABLE TO ALL FAMILIES.—A State to which a grant is made under section 403 shall ensure that the amount of cash assistance paid under the State program funded under this part to a recipient of assistance under the program who refuses to engage (within the meaning of subsection (a)(1)(C)(iii)) in work activities required under this section shall be less than the amount of cash assistance that would otherwise be paid to the recipient under the program, subject to such good cause and other exceptions as the State may establish.

"(B) APPLICABLE TO 2-PARENT FAMILIES.—A State to which a grant is made under section 403 shall reduce the amount of cash as-

sistance otherwise payable to a 2-parent family for a month under the State program funded under this part with respect to an adult in the family who is not engaged (within the meaning of subsection (a)(2)(B)(iii)) in work activities for at least 35 hours per week during the month, pro rata (or more, at the option of the State) with respect to any period during the month for which the adult is not so engaged.

''(C) LIMITATION ON FEDERAL AUTHORITY.—No officer or employee of the Federal Government may regulate the conduct of States under this paragraph or enforce this paragraph against any State.

''(2) AGAINST STATES.—

''(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with subsection (a) for the fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this paragraph and subsections (a)(1)(B) and (e) of section 403) be payable to the State under section 403(a)(1)(A) for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

"(d) RULE OF INTERPRETATION.—This section shall not be construed to prohibit a State from offering recipients of assistance under the State program funded under this part an opportunity to participate in an education or training program, consistent with the requirements of this section.

"(e) RESEARCH.—The Secretary shall conduct research on the costs and benefits of State activities under this section.

"(f) EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING RECIPIENTS OF ASSISTANCE.—The Secretary shall evaluate innovative approaches to employing recipients of assistance under State programs funded under this part.

"(g) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State pro-

gram funded under this part into long-term private sector jobs.

''(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

''(h) SENSE OF THE CONGRESS.—In complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring families that include older preschool or school-age children to be engaged in work activities.

''(i) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"SEC. 405. PROHIBITIONS.

''(a) IN GENERAL.—

''(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family, unless the family includes a minor child.

''(2) CERTAIN PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—

''(A) INCOME SECURITY PAYMENTS.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assistance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI (other than service benefits provided through the use of a grant made under part C of such title), then the State may not disregard the payment in determining the amount of assistance to be provided to the family of which the individual is a member under the State program funded under this part.

"(B) CERTAIN SUPPORT PAYMENTS.—A State to which a grant is made under section 403 may not disregard an amount distributed to a family under section 457(a)(1)(A) in determining the income of the family for purposes of eligibility for assistance under the State program funded under this part.

"(3) NO ASSISTANCE FOR CERTAIN ALIENS.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is not a citizen or national of the United States, except consistent with subtitle D of the Personal Responsibility Act of 1995.

"(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect

to a child who is born as a result of rape or incest.

''(C) STATE OPTION.—Nothing in subparagraph (A) shall be construed to prohibit a State from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child such as diapers, clothing, and school supplies.

''(5) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

''(A) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a minor child who is born to—

''(i) a recipient of benefits under the program operated under this part; or

''(ii) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

''(B) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and

which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

''(C) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

''(6) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received benefits under the program operated under this part for 60 months (whether or not consecutive) after the effective date of this part, except as provided under subparagraph (B).

''(B) HARDSHIP EXCEPTION.—

''(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship.

''(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in

effect shall not exceed 10 percent of the number of families to which the State is providing assistance under the program operated under this part.

''(7) NO ASSISTANCE FOR FAMILIES NOT COOPERATING IN PATERNITY ESTABLISHMENT OR CHILD SUPPORT.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an individual whom the agency responsible for administering the State plan approved under part D determines is not cooperating with the State in establishing the paternity of any child of the individual, or in establishing, modifying, or enforcing a support order with respect to such a child.

''(8) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING SUPPORT RIGHTS TO THE STATE.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an individual who has not assigned to the State any rights the individual may have (on behalf of the individual or of any other person for whom the individual has applied for or is receiving

such assistance) to support from any other person for any period for which the individual receives such assistance.

''(9) WITHHOLDING OF PORTION OF ASSISTANCE FOR FAMILIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS NOT ESTABLISHED.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 may not fail to—

''(i) withhold assistance under the State program funded under this part from a family which includes a child whose paternity is not established, in an amount equal to $50 or 15 percent of the amount of the amount of the assistance that would (in the absence of this paragraph) be provided to the family with respect to the child, whichever the State elects; or

''(ii) provide to the family the total amount of assistance so withheld once the paternity of the child is established, if the family is then eligible for such assistance.

''(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(10) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this title during the 10-year period that begins with the date the individual is found by a State to have made, or is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the person in order to receive benefits or services simultaneously from 2 or more States under programs that are funded under this part, title XIX, the consolidated program of food assistance under chapter 2 of subtitle E of title XIV of the Personal Responsibility Act of 1995, or the Food Stamp Act of 1977 (as in effect before the effective date of such chapter), or benefits in 2 or more States under the supplemental security income program under title XVI.

"(11) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use

any part of the grant to provide assistance to any individual who is—

''(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(ii) violating a condition of probation or parole imposed under Federal or State law.

''(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipi-

ent if the officer furnishes the agency with the name of the recipient and notifies the agency that—

(i) such recipient—

(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the recipient flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the recipient flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

(II) is violating a condition of probation or parole imposed under Federal or State law; or

(III) has information that is necessary for the officer to conduct the official duties of the officer; and

(ii) the location or apprehension of the recipient is within such official duties.

"(12) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for

an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part, of the absence of the minor child from the home for the period specified in or provided for under subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

''(b) MINOR CHILD DEFINED.—As used in subsection (a), the term 'minor child' means an individual—

''(1) who has not attained 18 years of age; or

''(2) who—

''(A) has not attained 19 years of age; and

''(B) is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"SEC. 406. DATA COLLECTION AND REPORTING.

''(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of the fiscal year, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal

year under the State program operated under this part or an equivalent State program:

''(1) The number of adults receiving such assistance.

''(2) The number of children receiving such assistance and the average age of the children.

''(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

''(4) The number of 1-parent families in which the parent is a widow or widower, is divorced, is separated, or has never married.

''(5) The age, race, and educational attainment of the adults receiving such assistance.

''(6) The average assistance provided to the families under the program.

''(7) Whether, at the time of application for assistance under the program, the families or any member of the families receives benefits under any of the following:

''(A) Any housing program.

''(B) The consolidated program of food assistance under chapter 2 of subtitle E of title XIV of the Personal Responsibility Act of 1995.

''(C) The Head Start programs carried out under the Head Start Act.

''(D) Any job training program.

''(8) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

''(9) The total number of months for which assistance has been provided to the families under the program.

''(10) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

''(11) The components of any program carried out by the State to provide employment and training activities in order to comply with section 404, and the average monthly number of adults in each such component.

''(12) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (11), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of the percentage of the funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead.

"(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on programs for needy families.

"(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 404(b)(1)) during the fiscal year.

"SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

''(a) RESEARCH.—The Secretary may conduct research on the effects, costs, and benefits of State programs funded under this part.

''(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of cash assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

''(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

''(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"SEC. 408. STUDY BY THE CENSUS BUREAU.

''(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation

as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by subtitle A of the Personal Responsibility Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

''(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).''.

SEC. 14102. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 14103. TRANSFERS.

(a) CHILD SUPPORT REVIEW PENALTIES.—

(1) TRANSFER OF PROVISION.—Section 403 of the Social Security Act, as added by the amendment made by section 14101 of this Act, is amended by adding at the end subsection (h) of section 403, as in effect immediately before the effective date of this subtitle.

(2) CONFORMING AMENDMENT.—Section 403(h)(3) of such Act, as in effect pursuant to paragraph (1) of this subsection, is amended by striking ‘‘, section 402(a)(27),’’.

(b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

(1) REDESIGNATION OF PROVISION.—Section 417 of such Act (42 U.S.C. 617), as in effect immediately before the effective date of this subtitle, is amended by striking the following:

‘‘ASSISTANT SECRETARY FOR FAMILY SUPPORT

‘‘SEC. 417.’’

and inserting the following:

“SEC. 409. ASSISTANT SECRETARY FOR FAMILY SUPPORT.”.

(2) TRANSFER OF PROVISION.—Part A of title IV of such Act, as added by the amendment made by section 14101 of this Act, is amended by adding at the end the section amended by paragraph (1) of this subsection.

(3) CONFORMING AMENDMENT.—Section 409 of such Act, as added by paragraph (2) of this subsection is amended by striking ‘‘, part D, and part F’’ and inserting ‘‘and part D’’.

SEC. 14104. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting ''an agency administering a program funded under part A of title IV or'' before ''an agency operating''; and

(B) by striking ''A or D of title IV of this Act'' and inserting ''D of such title''.

(2) Section 228(d)(1) of such Act (42 U.S.C. 428(d)(1)) is amended by inserting ''under a State program funded under'' before ''part A of title IV''.

(b) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 of such Act (42 U.S.C. 651) is amended by striking ''aid'' and inserting ''assistance under a State program funded''.

(2) Section 452(a)(10)(C) of such Act (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A''; and

(B) by striking ''such aid'' and inserting ''such assistance''; and

(C) by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 405(a)(8)''.

(3) Section 452(a)(10)(F) of such Act (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking ''aid under a State plan approved'' and inserting ''assistance under a State program funded''; and

(B) by striking ''in accordance with the standards referred to in section 402(a)(26)(B)(ii)'' and inserting ''by the State''.

(4) Section 452(b) of such Act (42 U.S.C. 652(b)) is amended in the last sentence by striking ''plan approved under part A'' and inserting ''program funded under part A''.

(5) Section 452(d)(3)(B)(i) of such Act (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking ''1115(c)'' and inserting ''1115(b)''.

(6) Section 452(g)(2)(A)(ii)(I) of such Act (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking ''aid is being paid under the State's plan approved'' and inserting ''assistance is being provided under the State program funded under''.

(7) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended in the matter fol-

lowing clause (iii) by striking ''aid was being paid under the State's plan approved'' and inserting ''assistance was being provided under the State program funded''.

(8) Section 452(g)(2) of such Act (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking ''who is a dependent child by reason of the death of a parent'' and inserting ''with respect to whom assistance is being provided under the State program funded under part A''; and

(B) by inserting ''by the State agency administering the State plan approved under this part'' after ''found'';

(C) by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 405(a)(8)''; and

(D) by striking ''administering the plan under part E determines (as provided in section 454(4)(B))'' and inserting ''determines''.

(9) Section 452(h) of such Act (42 U.S.C. 652(h)) is amended by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 405(a)(8)''.

(10) Section 454(5) of such Act (42 U.S.C. 654(5)) is amended—

(A) by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 405(a)(8)''; and

(B) by striking ''except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;''.

(11) Section 454(6)(D) of such Act (42 U.S.C. 654(6)(D)) is amended by striking ''aid under a State plan approved'' and inserting ''assistance under a State program funded''.

(12) Section 456 of such Act (42 U.S.C. 656) is amended by striking ''under section 402(a)(26)'' each place such term appears and inserting ''pursuant to section 405(a)(8)''.

(13) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)) is amended by striking ''402(a)(26)'' and inserting ''405(a)(8)''.

(14) Section 466(b)(2) of such Act (42 U.S.C. 666(b)(2)) is amended by striking ''aid'' and inserting ''assistance under a State program funded''.

(c) REPEAL OF PART F OF TITLE IV.—Part F of title IV of such Act (42 U.S.C. 681–687) is hereby repealed.

(d) AMENDMENT TO TITLE X.—Section 1002(a)(7) of such Act (42 U.S.C. 1202(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(e) AMENDMENTS TO TITLE XI.—

(1) Section 1108 of such Act (42 U.S.C. 1308) is amended—

(A) by striking subsections (a), (b), (d), and (e); and

(B) by striking ''(c)''.

(2) Section 1109 of such Act (42 U.S.C. 1309) is amended by striking ''or part A of title IV,''.

(3) Section 1115(a) of such Act (42 U.S.C. 1315(a)) is amended—

(A) in the matter preceding paragraph (1), by striking ''A or'';

(B) in paragraph (1), by striking ''402,''; and

(C) in paragraph (2), by striking ''403,''.

(4) Section 1116 of such Act (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking ''or part A of title IV,''; and

(B) in subsection (a)(3), by striking ''404,''.

(5) Section 1118 of such Act (42 U.S.C. 1318) is amended—

(A) by striking ''403(a),'';

(B) by striking ''and part A of title IV,''; and

(C) by striking '', and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV''.

(6) Section 1119 of such Act (42 U.S.C. 1319) is amended—

(A) by striking ''or part A of title IV''; and

(B) by striking ''403(a),''.

(7) Section 1133(a) of such Act (42 U.S.C. 1320b–3(a)) is amended by striking ''or part A of title IV,''.

(8) Section 1136 of such Act (42 U.S.C. 1320b–6) is hereby repealed.

(9) Section 1137 of such Act (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) any State program funded under part A of title IV of this Act;''; and

(B) in subsection (d)(1)(B)—

(i) by striking ''In this subsection—'' and all that follows through ''(ii) in'' and inserting ''In this subsection, in''; and

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(f) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of such Act, as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972, (42 U.S.C. 1382 note) is amended by striking

''aid under the State plan approved'' and inserting ''assistance under a State program funded''.

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) of such Act (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: ''(A) a State program funded under part A of title IV,''.

SEC. 14105. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a) is amended to read as follows:

''(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

''(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)),

''(2) by a State or local agency charged with the duty of carrying a State plan for child support

approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.''.

(b) Paragraph (9) of section 51(d) of the Internal Revenue Code of 1986 is amended by striking all that follows ''agency as'' and inserting ''being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.''

(c) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(d) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(e) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is hereby repealed.

(f) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is hereby repealed.

(g) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is hereby repealed.

(h) Section 233 of the Social Security Act Amendments of 1994 (42 U.S.C. 602 note) is hereby repealed.

(i) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking ''aid to families with dependent children under a State plan approved'' and inserting ''assistance under a State program funded''; and

(2) in subsection (c), by striking ''aid to families with dependent children in the State under a State plan approved'' and inserting ''assistance in the State under a State program funded''.

SEC. 14106. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act is amended—

(1) in section 1931, by inserting ''subject to section 1931(a),'' after ''under this title,'' and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

''CONTINUED APPLICATION OF AFDC STANDARDS

''SEC. 1931. (a) For purposes of applying this title on and after October 1, 1995, with respect to a State—

''(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of March 7, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

''(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

''(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of March 7, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may continue to be applied, at the option of the State, in relation

to this title after the date the waiver would otherwise expire.''

(b) PLAN AMENDMENT.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)) is amended—

(1) by striking ''and'' at the end of paragraph (61),

(2) by striking the period at the end of paragraph (62) and inserting ''; and'', and

(3) by inserting after paragraph (62) the following new paragraph:

''(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.''.

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) of such Act (42 U.S.C. 1396a(c)) is amended by striking ''if—'' and all that follows and inserting the following: ''if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.''.

(2) Section 1903(i) of such Act (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 14107. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall take effect on October 1, 1995.

(b) DELAYED APPLICABILITY OF AUTHORITY TO TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMILIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS NOT ESTABLISHED.—Section 405(a)(9) of the Social Security Act, as added by the amendment made by section 14101 of this Act, shall not apply to individuals who, immediately before the effective date of this subtitle, are recipients of aid under a State plan approved under part A of title IV of the Social Security Act, until the end of the 1-year (or, at the option of the State, 2-year) period that begins with such effective date.

(c) TRANSITION RULE.—The amendments made by this subtitle shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date of this subtitle under the provisions amended; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

Subtitle B—Child Protection Block Grant Program

SEC. 14201. ESTABLISHMENT OF PROGRAM.

Part B of title IV of the Social Security Act (42 U.S.C. 620–635) is amended to read as follows:

"PART B—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

"SEC. 421. PURPOSE.

''The purpose of this part is to enable eligible States to carry out a child protection program to—

''(1) identify and assist families at risk of abusing or neglecting their children;

''(2) operate a system for receiving reports of abuse or neglect of children;

''(3) investigate families reported to abuse or neglect their children;

''(4) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;

''(5) support children who must be removed from or who cannot live with their families;

''(6) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families; and

''(7) provide for continuing evaluation and improvement of child protection laws, regulations, and services.

"SEC. 422. ELIGIBLE STATES.

''(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

''(1) OUTLINE OF CHILD PROTECTION PROGRAM.—A written document that outlines the activities the State intends to conduct to achieve the purpose of this part, including the procedures to be used for—

''(A) receiving reports of child abuse or neglect;

''(B) investigating such reports;

''(C) protecting children in families in which child abuse or neglect is found to have occurred;

''(D) removing children from dangerous settings;

''(E) protecting children in foster care;

''(F) promoting timely adoptions;

''(G) protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents if such relatives meet all State child protection standards;

''(H) preventing child abuse and neglect; and

''(I) establishing and responding to citizen review panels under section 425.

''(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report actual or suspected instances of child abuse or neglect.

''(3) CERTIFICATION OF STATE PROGRAM TO INVESTIGATE CHILD ABUSE AND NEGLECT CASES.—A certification that the State has in effect a program to investigate child abuse and neglect cases.

''(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State

has in effect procedures for removal from families and placement of abused or neglected children.

''(5) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED CHILDREN.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families, which specifies the goal for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months, and for ensuring that information about such children is collected regularly and recorded in case records, and a description of such procedures.

''(6) CERTIFICATION THAT THE STATE WILL CONTINUE TO HONOR ADOPTION ASSISTANCE AGREEMENTS.—A certification that the State will honor any adoption assistance agreement (as defined in section 475(3), as in effect immediately before the effective date of this part) entered into by an agency of the State, that is in effect as of such effective date.

''(7) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to

provide independent living services to individuals in the child protection program of the State who have attained 16 years of age but have not attained 20 (or, at the option of the State, 22) years of age, and who do not have a family to which to be returned for assistance in making the transition to self-sufficient adulthood.

''(8) CERTIFICATION OF STATE PROCEDURES TO RESPOND TO REPORTING OF MEDICAL NEGLECT OF DISABLED INFANTS.—

''(A) IN GENERAL.—A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

''(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

''(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected

medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

''(iii) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

''(B) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—As used in subparagraph (A), the term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medi-

cation) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

''(i) the infant is chronically and irreversibly comatose;

''(ii) the provision of such treatment would—

''(I) merely prolong dying;

''(II) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

''(III) otherwise be futile in terms of the survival of the infant; or

''(iii) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

''(9) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative goals of the State child protection program.

''(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a). The Secretary may not require a State to include in such a plan

any material not described in subsection (a), and may not review the adequacy of State procedures. The Secretary may not require a State to alter its child protection law regarding determination of the adequacy, type and timing of health care (whether medical, non-medical or spiritual).

"SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.

''(a) ENTITLEMENT.—

''(1) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (b)(1) a grant in an amount equal to the State share of the child protection amount for the fiscal year.

''(2) ADDITIONAL GRANT.—

''(A) IN GENERAL.—In addition to a grant under paragraph (1) of this subsection, the Secretary shall pay to each eligible State for each fiscal year specified in subsection (b)(1) an amount equal to the State share of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

''(B) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under subparagraph (A), there are authorized to be appropriated to the Secretary an amount not to ex-

ceed $486,000,000 for each fiscal year specified in subsection (b)(1).

''(b) DEFINITIONS.—As used in this section:

''(1) CHILD PROTECTION AMOUNT.—The term 'child protection amount' means—

''(A) $3,930,000,000 for fiscal year 1996;

''(B) $4,195,000,000 for fiscal year 1997;

''(C) $4,507,000,000 for fiscal year 1998;

''(D) $4,767,000,000 for fiscal year 1999; and

''(E) $5,071,000,000 for fiscal year 2000.

''(2) STATE SHARE.—

''(A) IN GENERAL.—The term 'State share' means the qualified child protection expenses of the State divided by the sum of the qualified child protection expenses of all of the States.

''(B) QUALIFIED CHILD PROTECTION EXPENSES.—The term 'qualified child protection expenses' means, with respect to a State the greater of—

''(i) ⅓ of the total amount of obligations to the State under the provisions of law specified in subparagraph (C) for fiscal years 1992, 1993, and 1994; or

''(ii) the total amount of obligations to the State under such provisions of law for fiscal year 1994.

''(C) PROVISIONS OF LAW.—The provisions of law specified in this subparagraph are the following (as in effect immediately before the effective date of this part):

''(i) Section 474(a) (other than subparagraphs (C) and (D) of paragraph (3)) of this Act.

''(ii) Section 304 of the Family Violence Prevention and Services Act.

''(iii) Section 107(a) of the Child Abuse Prevention and Treatment Act.

''(iv) Section 201(d) of the Child Abuse Prevention and Treatment Act.

''(v) Section 423 of this Act.

''(3) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

''(c) USE OF GRANT.—

''(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that the State deems appropriate to accom-

plish the purpose of this part, including setting up abuse and neglect reporting systems, abuse and neglect prevention, family preservation, foster care, adoption, program administration, and training.

''(2) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

''(A) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under this section for fiscal year 1998 or a succeeding fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

''(i) Part A of this title.

''(ii) Title XX of this Act.

''(iii) The Child Care and Development Block Grant Act of 1990.

''(iv) Any provision of law, enacted into law during the 104th Congress, under which grants are made to States for food and nutrition or employment and training.

''(B) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in subparagraph (A) shall not be subject to the requirements of this

part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

''(3) TIMING OF EXPENDITURES.—A State to which a grant is made under this section for a fiscal year shall expend the total amount of the grant not later than the end of the immediately succeeding fiscal year.

''(4) RULE OF INTERPRETATION.—This part shall not be interpreted to prohibit short- and long-term foster care facilities operated for profit from receiving funds provided under this part.

''(d) TIMING OF PAYMENTS.—The Secretary shall pay each eligible State the amount of the grant payable to the State under this section in quarterly installments.

''(e) PENALTIES.—

''(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—

''(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant

that would (in the absence of this subsection) be payable to the State under this section for the immediately succeeding fiscal year by the amount so used.

''(B) LIMITATION.—In carrying out subparagraph (A), the Secretary shall not reduce any quarterly payment by more than 25 percent.

''(C) CARRYFORWARD OF UNRECOVERED PENALTY.—To the extent that subparagraph (B) prevents the Secretary from recovering during a fiscal year the full amount of a penalty imposed on a State under subparagraph (A) for a prior fiscal year, the Secretary shall apply subparagraph (A) to the grant otherwise payable to the State under this section for the immediately succeeding fiscal year.

''(2) FOR FAILURE TO MAINTAIN EFFORT.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that the amount expended by a State (other than from amounts provided by the Federal Government) during fiscal year 1996 or 1997 to carry out the State program funded under this part is less than the total amount expended by the State (other than from amounts pro-

vided by the Federal Government) during fiscal year 1995 under parts B and E of this title, then the Secretary shall reduce the amount of the grant that would (in the absence of this subsection) be payable to the State under this section for the immediately succeeding fiscal year by the amount of the difference.

''(3) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

''(A) IN GENERAL.—The Secretary shall reduce by 3 percent the amount of the grant that would (in the absence of this subsection) be payable to a State under this section for a fiscal year if the Secretary determines that the State has not submitted the report required by section 427(b) for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

''(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(f) LIMITATION ON FEDERAL AUTHORITY.—Except as expressly provided in this part, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part.

"SEC. 424. CHILD PROTECTION STANDARDS.

"(a) IN GENERAL.—Each State to which a grant is made under section 423 shall operate a child protection program in accordance with the following standards in order to assure the protection of children:

"(1) The primary standard by which a State child welfare system shall be judged is the protection of children.

"(2) Each State shall investigate reports of abuse and neglect promptly.

"(3) Children removed from their homes shall have a permanency plan and a dispositional hearing by a court or a court-appointed body within 3 months after a fact-finding hearing.

"(4) All child protection cases in which the child is placed outside the home shall be reviewed every 6 months unless the child is in a long-term placement.

"(b) PLACEMENT OF CHILDREN WITH RELATIVES.—A State to which a grant is made under this part may consider—

''(1) establishing a new type of foster care placement, which could be considered a permanent placement, for children who are separated from their parents (in this subsection referred to as 'kinship care') under which—

''(A) adult relatives of such children would be the preferred placement option if such relatives meet all relevant child protection standards established by the State;

''(B) the State would make a needs-based payment and provide supportive services, as appropriate, with respect to children placed in a kinship care arrangement; and

''(2) in placing children for adoption, giving preference to adult relatives who meet applicable adoption standards (including those acting as foster parents of such children).

"SEC. 425. CITIZEN REVIEW PANELS.

''(a) ESTABLISHMENT.—Each State to which a grant is made under section 423 shall establish at least 3 citizen review panels.

''(b) COMPOSITION.—Each panel established under subsection (a) shall be broadly representative of the community from which drawn.

"(c) FREQUENCY OF MEETINGS.—Each panel established under subsection (a) shall meet not less frequently than quarterly.

"(d) DUTIES.—

"(1) IN GENERAL.—Each panel established under subsection (a) shall, by examining specific cases, determine the extent to which the State and local agencies responsible for carrying out activities under this part are doing so in accordance with the State plan, with the child protection standards set forth in section 424, and with any other criteria that the panel considers important to ensure the protection of children.

"(2) CONFIDENTIALITY.—The members and staff of any panel established under subsection (a) shall not disclose to any person or government any information about any specific child protection case with respect to which the panel is provided information.

"(e) STATE ASSISTANCE.—Each State that establishes a panel under subsection (a) shall afford the panel access to any information on any case that the panel desires to review, and shall provide the panel with staff assistance in performing its duties.

''(f) REPORTS.—Each panel established under subsection (a) shall make a public report of its activities after each meeting.

"SEC. 426. CLEARINGHOUSE AND HOTLINE ON MISSING AND RUNAWAY CHILDREN.

''(a) IN GENERAL.—The Attorney General of the United States shall establish and operate by contract a clearinghouse of information on children who are missing or have run away from home, including a 24-hour toll-free telephone hotline which may be contacted for information on such children.

''(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Attorney General of the United States not to exceed $7,000,000 for each fiscal year.

"SEC. 427. DATA COLLECTION AND REPORTING.

''(a) ANNUAL REPORTS ON STATE CHILD WELFARE GOALS.—On the date that is 3 years after the effective date of this part and annually thereafter, each State to which a grant is made under section 423 shall submit to the Secretary a report that contains quantitative information on the extent to which the State is making progress toward achieving the goals of the State child protection program.

"(b) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under section 423 shall annually submit to the Secretary of Health and Human Services a report that includes the following:

"(1) The number of children who were reported to the State during the year as abused or neglected.

"(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were substantiated.

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of children who entered foster care under the responsibility of the State during the year.

''(6) The number of children in foster care under the responsibility of the State who exited from foster care during the year.

''(7) The types of foster care placements made by the State during the year, and the average monthly number of children in each type of placement.

''(8) The average length of the foster care placements made by the State during the year.

''(9) The age, ethnicity, gender, and family income of the children placed in foster care under the responsibility of the State during the year.

''(10) The number of children in foster care under the responsibility of the State with respect to whom the State has the goal of adoption.

''(11) The number of children in foster care under the responsibility of the State who were freed for adoption during the year.

''(12) The number of children in foster care under the responsibility of the State whose adoptions were finalized during the year.

''(13) The number of disrupted adoptions in the State during the year.

''(14) Quantitative measurements showing whether the State is making progress toward the

child protection goals identified by the State under section 422(a)(9).

''(15) The number of infants abandoned in the State during the year, and the number of such infants who were legally adopted during the year and the length of time between the discovery of the abandonment and such adoption.

''(16) The number of children who died during the year while in foster care under the responsibility of the State.

''(17) The number of deaths in the State during the year resulting from child abuse or neglect.

''(18) The number of children served by the independent living program of the State.

''(19) Any other information which the Secretary and a majority of the States agree is appropriate to collect for purposes of this part.

''(20) The response of the State to the findings and recommendations of the citizen review panels established by the State pursuant to section 425.

''(c) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with a requirement to provide precise numerical information described in subsection (b) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

''(d) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to subsection (b), and shall make the report and such information available to the Congress and the public.

''(e) SCOPE OF STATE PROGRAM FUNDED UNDER THIS PART.—As used in subsection (b), the term 'State program funded under this part' includes any equivalent State program.

"SEC. 428. RESEARCH AND TRAINING.

''(a) IN GENERAL.—The Secretary shall conduct research and training in child welfare.

''(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary not to exceed $10,000,000 for each fiscal year.

"SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

''(a) IN GENERAL.—The Secretary shall conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected.

''(b) REQUIREMENTS.—The study required by subsection (a) shall—

''(1) have a longitudinal component; and

''(2) yield data reliable at the State level for as many States as the Secretary determines is feasible.

''(c) PREFERRED CONTENTS.—In conducting the study required by subsection (a), the Secretary should—

''(1) collect data on the child protection programs of different small States or (different groups of such States) in different years to yield an occasional picture of the child protection programs of such States;

''(2) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

''(3) follow each case for several years while obtaining information on, among other things—

''(A) the type of abuse or neglect involved;

''(B) the frequency of contact with State or local agencies;

''(C) whether the child involved has been separated from the family, and, if so, under what circumstances;

''(D) the number, type, and characteristics of out-of-home placements of the child; and

''(E) the average duration of each placement.

''(d) REPORTS.—

"(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a), and should include in such reports a comparison of the results of the study with the information reported by States under section 427.

"(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(e) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary of Health and Human Services $6,000,000 for each of fiscal years 1996 through 2000 to carry out this section.

"SEC. 430. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

"(a) PURPOSE.—The purpose of this section is to decrease the length of time that children wait to be adopted and to prevent discrimination in the placement of children on the basis of race, color, or national origin.

"(b) MULTIETHNIC PLACEMENTS.—

"(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

"(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

"(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

"(2) PENALTIES.—

"(A) STATE VIOLATORS.—A State that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the State under this part during the period.

"(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the entity during the period by a State from funds provided under this part.

"(3) PRIVATE CAUSE OF ACTION.—

"(A) IN GENERAL.—Any individual who is aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court.

"(B) STATUTE OF LIMITATIONS.—An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.".

SEC. 14202. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(1) Section 452(a)(10)(C) of the Social Security Act (42 U.S.C. 652(a)(10)(C)), as amended by section 14104(b)(2)(C) of this Act, is amended—

(A) by striking "(or foster care maintenance payments under part E)" and inserting "or cash payments under a State program funded under part B"; and

(B) by striking "or 471(a)(17)".

(2) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended—

(A) by striking "or E" the 1st place such term appears and inserting "or benefits or services are being provided under the State program funded under part B"; and

(B) by striking ''or E'' the 2nd place such term appears and inserting ''or benefits or services were being provided under the State program funded under part B''.

(3) Section 456(a)(1) of such Act (42 U.S.C. 656(a)(1)) is amended by striking ''foster care maintenance payments'' and inserting ''benefits or services under a State program funded under part B''.

(4) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)), as amended by section 14104(b)(13) of this Act, is amended by striking ''or 471(a)(17)''.

(b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL SECURITY ACT.—Part E of title IV of such Act (42 U.S.C. 671–679) is hereby repealed.

(c) AMENDMENT TO TITLE XVI OF THE SOCIAL SECURITY ACT AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C. 1382(c)(5)(B)) is amended to read as follows: ''(B) the State program funded under part B of title IV,''.

(d) REPEAL OF SECTION 13712 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993.—Section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note) is hereby repealed.

(e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1986.—Section 9442(4) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 679a(4)) is amended by inserting ''(as in effect before October 1, 1995)'' after ''Act''.

(f) REPEAL OF SECTION 553 OF THE HOWARD M. METZENBAUM MULTIETHNIC PLACEMENT ACT OF 1994.—Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a; 108 Stat. 4056) is hereby repealed.

(g) REPEAL OF SUBTITLE C OF TITLE XVII OF THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Subtitle C of title XVII of the Violent Crime Control and Law Enforcement Act of 1994 is hereby repealed.

SEC. 14203. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

Section 1931 of the Social Security Act, as inserted by section 14106(a)(2) of this Act, is amended—

(1) in subsection (a)(1)—

(A) by striking ''part A of'', and

(B) by striking ''under such part'' and inserting ''under a part of such title''; and

(2) in subsection (b), by striking ''part A of''.

SEC. 14204. EFFECTIVE DATE.

(a) IN GENERAL.—this subtitle and the amendments made by this subtitle shall take effect on October 1, 1995.

(b) TRANSITION RULE.—The amendments made by this subtitle shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date of this subtitle under the provisions amended; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

SEC. 14205. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN.

It is the sense of the Congress that—

(1) too many children who wish to be adopted are spending inordinate amounts of time in foster care;

(2) there is an urgent need for States to increase the number of waiting children being adopted in a timely and lawful manner;

(3) studies have shown that States spend an excess of $15,000 each year on each special needs child in foster care, and would save significant amounts of money if they offered incentives to families to adopt special needs children;

(4) States should allocate sufficient funds under this subtitle for adoption assistance and medical assistance to encourage more families to adopt children who otherwise would languish in the foster care system for a period that many experts consider detrimental to their development;

(5) States should offer incentives for families that adopt special needs children to make adoption more affordable for middle-class families;

(6) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(7) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents. Such programs should include a nationwide, interactive computer network to disseminate information on children eligi-

ble for adoption to help match them with families around the country.

Subtitle C—Block Grants for Child Care and for Nutrition Assistance

CHAPTER 1—CHILD CARE BLOCK GRANTS

SEC. 14301. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) GOALS.—Section 658A of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in the heading of such section by inserting ''**AND GOALS**'' after ''**TITLE**'',

(2) by inserting ''(a) SHORT TITLE.—'' before ''This'', and

(3) by adding at the end the following:

''(b) GOALS.—The goals of this subchapter are—

''(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

''(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

''(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

''(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

''(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

''SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this subchapter $2,093,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.''.

(c) LEAD ENTITY.—Section 658D of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b) is amended—

(1) in the heading of such section by striking ''**AGENCY**'' and inserting ''**ENTITY**'',

(2) in subsection (a) by inserting ''or other entity'' after ''State agency'', and

(3) by striking ''lead agency'' each place it appears and inserting ''lead entity''.

(d) APPLICATION AND PLAN.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking ''implemented—'' and all that follows through ''(2)'' and inserting ''implemented'', and

(B) by striking ''for subsequent State plans'',

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the heading of such paragraph by striking ''AGENCY'' and inserting ''ENTITY'', and

(ii) by striking ''agency'' and inserting ''entity'',

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking '', other than through assistance provided under paragraph (3)(C),'' and

(II) by striking ''except'' and all that follows through ''1992'', and inserting ''and provide a detailed description of the procedures the State

will implement to carry out the requirements of this subparagraph'',

(ii) in subparagraph (B)—

(I) by striking ''Provide assurances'' and inserting ''Certify'', and

(II) by inserting before the period at the end ''and provide a detailed description of such procedures'',

(iii) in subparagraph (C)—

(I) by striking ''Provide assurances'' and inserting ''Certify'', and

(II) by inserting before the period at the end ''and provide a detailed description of how such record is maintained and is made available'',

(iv) by amending subparagraph (D) to read as follows:

''(D) CONSUMER EDUCATION INFORMATION.—Provide assurances that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.'',

(v) in subparagraph (E)—

(I) by striking ''Provide assurances'' and inserting ''Certify'',

(II) in clause (i) by inserting ''health, safety, and'' after ''comply with all'',

(III) in clause (i) by striking ''; and'' at the end,

(IV) by striking ''that—'' and all that follows through ''(i)'', and inserting ''that'', and

(V) by striking ''(ii)'' and all that follows through the end of such subparagraph, and inserting ''and provide a detailed description of such requirements and of how such requirements are effectively enforced.'', and

(vi) by striking subparagraphs (F), (G), (H), (I), and (J),

(C) in paragraph (3)—

(i) in subparagraph (A) by inserting ''or as authorized by section 658T'' before the period at the end,

(ii) in subparagraph (B)—

(I) by striking ''.—Subject to the reservation contained in subparagraph

(C), the'' and inserting ''AND RELATED ACTIVITIES.—The'',

(II) by inserting '', other than amounts transferred under section 658T,'' after ''subchapter'',

(III) in clause (i) by striking ''; and'' at the end and inserting a period,

(IV) by striking ''for—'' and all that follows through ''section 658E(c)(2)(A)'' and inserting ''for child care services, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)'', and

(V) by striking clause (ii), and

(iii) by amending subparagraph (C) to read as follows:

''(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may

be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.'',

(D) in paragraph (4)(A)—

(i) by striking ''provide assurances'' and inserting ''certify'',

(ii) in the first sentence by inserting ''and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access'' before the period, and

(iii) by striking the last sentence, and

(E) by striking paragraph (5).

(e) LIMITATIONS ON STATE ALLOTMENTS—Section 658F(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858d(b)(2)) is amended by striking ''referred to in section 658E(c)(2)(F)''.

(f) REPEAL OF EARMARKED REQUIRED EXPENDITURES.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended by striking sections 658G and 658H.

(g) ADMINISTRATION AND ENFORCEMENT.—Section 658I(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(a)) is amended—

(1) in paragraph (1) by inserting ''and'' at the end,

(2) by striking paragraph (2), and

(3) by redesignating paragraph (3) as paragraph (2).

(h) PAYMENTS.—Section 658J(c) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h(c)) is amended—

(1) by striking ''expended'' and inserting ''obligated'', and

(2) by striking ''3 fiscal years'' and inserting ''fiscal year''.

(i) ANNUAL REPORT AND AUDITS.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the heading of such section by inserting ''**, EVALUATION PLANS,**'' after ''**REPORT**'',

(2) in subsection (a)—

(A) by striking '', 1992'' and inserting ''following the end of the first fiscal year with respect to which the amendments made by the Personal Responsibility Act of 1995 apply'',

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

''(2) containing data on the manner in which the child care needs of families in the State are being fulfilled, including information concerning—

''(A) the number and ages of children being assisted with funds provided under this subchapter;

''(B) with respect to the families of such children—

''(i) the number of other children in such families;

''(ii) the number of such families that include only 1 parent;

''(iii) the number of such families that include both parents;

''(iv) the ages of the mothers of such children;

''(v) the ages of the fathers of such children;

''(vi) the sources of the economic resources of such families, including the amount of such resources obtained from (and separately identified as being from)—

''(I) employment, including self-employment;

''(II) assistance received under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(III) part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.);

''(IV) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

''(V) the National School Lunch Act (42 U.S.C. 1751 et seq.);

''(VI) assistance received under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

''(VII) assistance received under title XIV of the Social Security Act (42 U.S.C. 1351 et seq.);

''(VIII) assistance received under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

''(IX) assistance received under title XX of the Social Security Act (42 U.S.C. 1397 et seq.); and

''(X) any other source of economic resources the Secretary determines to be appropriate;

''(C) the number of such providers separately identified with respect to each type of child care provider specified in section 658P(5) that provided child care services obtained with assistance provided under this subchapter;

''(D) with respect to cost of such services—

''(i) the cost imposed by such providers to provide such services; and

''(ii) the portion of such cost paid with assistance provided under this subchapter;

''(E) with respect to consumer education information described in section 658E(c)(2)(D) provided by such State—

''(i) the manner in which such information was provided; and

''(ii) the number of parents to whom such information was provided; and

''(F) with respect to complaints received by such State regarding child care services obtained with assistance provided under this subchapter—

''(i) the number of such complaints that were found to have merit; and

''(ii) a description of the actions taken by the State to correct the circumstances on which such complaints were based.'',

(C) by striking paragraphs (3), (4), (5), and (6) and inserting the following:

''(3) containing evidence demonstrating that the State satisfied the requirements of section 658E(c)(2)(F); and

''(4) identifying each State program operated under a provision of law specified in section 658T to which the State transferred funds under the authority of such section, specifying the amount of funds so transferred to such program, and containing a justification for so transferring such amount;'', and

(3) in subsection (b)—

(A) in paragraph (1) by striking ''a application'' and inserting ''an application'',

(B) in paragraph (2) by striking ''any agency administering activities that receive'' and inserting ''the State that receives'', and

(C) in paragraph (4) by striking ''entitles'' and inserting ''entitled'', and

(4) by redesignating subsection (b) as subsection (c), and

(5) by inserting after subsection (a) the following:

''(b) STATE EVALUATION PLAN AND EVALUATION RESULTS.—

''(1) EVALUATION PLAN.—In the first report submitted under subsection (a) after the date of the enactment of the Personal Responsibility Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a plan the State intends to carry out in the 1-year period subsequent to the period for which such report is submitted, to evaluate the extent to which the State has realized each of the goals specified in paragraphs (2) through (5) of section 658A(b). The State shall include in such plan a description of the types of data and other information the State will collect to determine whether the State has realized such goals.

''(2) EVALUATION RESULTS.—In the second report submitted under subsection (a) after the date of the enactment of the Personal Responsibility Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a summary of the results of an evaluation carried out under the evaluation plan contained in the report

submitted under subsection (a) for the preceding 1-year period.''.

(j) REPORT BY SECRETARY.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking '', 1993, and annually'' and inserting ''following the end of the second fiscal year with respect to which the amendments made by the Personal Responsibility Act of 1995 apply, and biennially'',

(2) by striking ''Committee on Education and Labor'' and inserting ''Speaker'',

(3) by striking ''Committee on Labor and Human Resources'' and inserting ''President pro tempore'', and

(4) by striking the last sentence.

(k) REALLOTMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (a)(1)—

(A) by striking ''POSSESSIONS'' and inserting ''POSSESSIONS'',

(B) by inserting ''and'' after ''States,'', and

(C) by striking ‘‘, and the Trust Territory of the Pacific Islands’’,

(2) by amending subsection (b) to read as follows:

‘‘(b) STATE ALLOTMENT.—From the amount appropriated under section 658B for each fiscal year remaining after reservations under subsection (a), the Secretary shall allot to each State (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) an amount that bears the same ratio to the amount so appropriated for such fiscal year as the aggregate of the amounts received by the State under—

‘‘(1) this subchapter for fiscal year 1994;

‘‘(2) section 403 of the Social Security Act, with respect to expenditures by the State for child care under section 402(g)(1) of such Act during fiscal year 1994; and

‘‘(3) section 403(n) of the Social Security Act for fiscal year 1994;

bears to the aggregate of the amounts received by all the States (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) under paragraphs (1), (2), and (3).’’,

(3) in subsection (c)—

(A) in paragraph (2)(A) by striking ''agency'' and inserting ''entity'', and

(B) in paragraph (5) by striking ''our'' and inserting ''out'',

(4) by striking subsection (e), and

(5) by redesignating subsection (f) as subsection (e).

(l) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (5)(A)—

(A) in clause (i) by striking ''and'' at the end and inserting ''or'',

(B) by striking ''that—'' and all that follows through ''(i)'', and inserting ''that'', and

(C) by striking clause (ii),

(2) by amending paragraph (8) to read as follows:

''(8) LEAD ENTITY.—The term 'lead entity' means the State agency or other entity designated under section 658B(a).'',

(3) by striking paragraphs (3), (10), and (12),

(4) by inserting after paragraph (2) the following:

''(3) CHILD CARE SERVICES.—The term 'child care services' means services that constitute physical care of a child and may include services that are designed to enhance the educational, social, cultural, emotional, and recreational development of a child but that are not intended to serve as a substitute for compulsory educational services.'',

(5) in paragraph (13)—

(A) by inserting ''or'' after ''Samoa,'', and

(B) by striking '', and the Trust Territory of the Pacific Islands'', and

(6) by redesignating paragraphs (11), (13), and (14) as paragraphs (10), (11), and (12), respectively.

(m) AUTHORITY TO TRANSFER FUNDS.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658S the following:

''SEC. 658T. TRANSFER OF FUNDS.

''(a) AUTHORITY.—Of the aggregate amount of payments received under this subchapter by a State in each fiscal year, the State may transfer not more than 20 percent for use by the State to carry out State programs under 1 or more of the following provisions of law:

"(1) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) Part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.).

"(3) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(4) The National School Lunch Act (42 U.S.C. 1751 et seq.).

"(5) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

"(b) REQUIREMENTS APPLICABLE TO FUNDS TRANSFERRED.—Funds transferred under subsection (a) to carry out a State program operated under a provision of law specified in such subsection shall not be subject to the requirements of this subchapter, but shall be subject to the same requirements that apply to Federal funds provided directly under such provision of law to carry out such program.".

SEC. 14302. REPEAL OF CHILD CARE ASSISTANCE AUTHORIZED BY ACTS OTHER THAN THE SOCIAL SECURITY ACT.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

(b) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871–9877) is repealed.

(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title X of the Elementary and Secondary Education Act of 1965, as amended by Public Law 103–382 (108 Stat. 3809 et seq.), is amended—

(1) in section 10413(a) by striking paragraph (4),

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

CHAPTER 2—FAMILY AND SCHOOL-BASED NUTRITION BLOCK GRANTS

Subchapter A—Family Nutrition Block Grant Program

SEC. 14321. AMENDMENT TO CHILD NUTRITION ACT OF 1966.

The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'Child Nutrition Act of 1966'.

''(b) TABLE OF CONTENTS.—The table of contents is as follows:

''Sec. 1. Short title; table of contents.
''Sec. 2. Authorization.
''Sec. 3. Allotment.
''Sec. 4. Application.
''Sec. 5. Use of amounts.
''Sec. 6. Reports.
''Sec. 7. Penalties.
''Sec. 8. Model nutrition standards for food assistance for pregnant, postpartum, and breastfeeding women, infants and children.
''Sec. 9. Authorization of appropriations.
''Sec. 10. Definitions.

"SEC. 2. AUTHORIZATION.

''(a) IN GENERAL.—In the case of each State that in accordance with section 4 submits to the Secretary of Agriculture an application for a fiscal year, the Secretary shall provide a grant for the year to the State for the purpose of achieving the goals described in subsection (b).

The grant shall consist of the allotment determined for the State under section 3.

''(b) GOALS.—The goals of this Act are—

''(1) to provide nutritional risk assessment, food assistance based on such risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children who are determined to be at nutritional risk;

''(2) to provide nutritional risk assessments of such women in order to provide food assistance and nutrition education which meets their specific needs;

''(3) to provide nutrition education to such women in order to increase their awareness of the types of foods which should be consumed to maintain good health;

''(4) to provide food assistance, including nutritious meal supplements, to such women in order to reduce incidences of low-birthweight babies and babies born with birth defects as a result of nutritional deficiencies;

''(5) to provide food assistance, including nutritious meal supplements, to such women, infants, and young children in order to ensure their future good health;

''(6) to ensure that such women, infants, and children are referred to other health services, including routine pediatric and obstetric care, when necessary;

''(7) to ensure that children from economically disadvantaged families in day care facilities, family day care homes, homeless shelters, settlement houses, recreational centers, Head Start centers, Even Start programs and child care facilities for children with disabilities receive nutritious meals, supplements, and low-cost milk; and

''(8) to provide summer food service programs to meet the nutritional needs of children from economically disadvantaged families during months when school is not in session.

''(c) TIMING OF PAYMENTS.—The Secretary shall provide payments under a grant under this Act to States on a quarterly basis.

''SEC. 3. ALLOTMENT.

''The Secretary shall allot the amount appropriated to carry out this Act for a fiscal year among the States as follows:

''(1) FIRST FISCAL YEAR.—

''(A) IN GENERAL.—With respect to the first fiscal year for which the Secretary provides

grants to States under this Act, the amount allotted to each State shall bear the same proportion to such amount appropriated as the aggregate of the amounts described in subparagraph (B) that were received by each such State under the provisions of law described in such subparagraph (as such provisions of law were in effect on the day before the date of the enactment of the Personal Responsibility Act of 1995) for the preceding fiscal year bears to the aggregate of the amounts described in subparagraph (B) that were received by all such States under such provisions of law for such preceding fiscal year.

''(B) AMOUNTS DESCRIBED.—The amounts described in this subparagraph are the following:

''(i) The amount received under the special supplemental nutrition program for women, infants, and children under section 17 of this Act (42 U.S.C. 1786).

''(ii) The amount received under the homeless children nutrition program established under section 17B of the National School Lunch Act (42 U.S.C. 1766b).

"(iii) 87.5 percent of the sum of the amounts received under the following programs:

"(I) The child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766), except for subsection (o) of such section.

"(II) The summer food service program for children established under section 13 of the National School Lunch Act (42 U.S.C. 1761).

"(III) The special milk program established under section 3 of this Act (42 U.S.C. 1772).

"(2) SECOND FISCAL YEAR.—With respect to the second fiscal year for which the Secretary provides grants to States under this Act—

"(A) 95 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the amount allotted to each such State from a grant under this Act for the preceding fiscal year bears to the aggregate of the amounts al-

lotted to all such States from grants under this Act for such preceding fiscal year; and

''(B) 5 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the relative number of individuals receiving assistance during the 1-year period ending on June 30 of the preceding fiscal year in such State from amounts received from a grant under this Act for such preceding fiscal year bears to the total number of individuals receiving assistance in all States from amounts received from grants under this Act for the preceding fiscal year.

''(3) THIRD AND FOURTH FISCAL YEARS.—With respect to each of the third and fourth fiscal years for which the Secretary provides grants to States under this Act—

''(A) 90 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

''(B) 10 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

''(4) FIFTH FISCAL YEAR.—With respect to the fifth fiscal year for which the Secretary provides grants to States under this Act—

''(A) 85 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

''(B) 15 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

''SEC. 4. APPLICATION.

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State submits to the Secretary an application containing only—

''(1) an agreement that the State will use amounts received from such grant in accordance with section 5;

''(2) except as provided in paragraph (3), an agreement that the State will set minimum nutritional requirements for food assistance provided under this Act based on the most recent tested nutritional research available, except that—

''(A) such requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

''(B) such requirements shall, at a minimum, be based on—

''(i) the weekly average of the nutrient content of school lunches; or

''(ii) such other standards as the State may prescribe;

''(3) an agreement that the State, with respect to the provision of food assistance to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children, shall—

''(A) implement the minimum nutritional requirements described in paragraph (2) for such food assistance; or

''(B) implement the model nutrition standards developed under section 8 for such food assistance;

''(4) an agreement that the State will take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under this Act;

''(5) an agreement that the State will use not more than 5 percent of the amount of such grant for administrative costs incurred to provide assistance under this Act, except that costs associated with the nutritional risk assessment of individuals described in section 5(a)(1) and costs associated with nutrition education and counseling provided to such individuals shall not be considered to be administrative costs; and

''(6) an agreement that the State will submit to the Secretary a report in accordance with section 6.

''SEC. 5. USE OF AMOUNTS.

''(a) IN GENERAL.—The Secretary may provide a grant under this Act to a State only if the State agrees that it will use all amounts received from such grant—

''(1) subject to subsection (b), to provide nutritional risk assessment, food assistance based on such

risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children who are determined to be at nutritional risk;

''(2) to provide milk in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar institutions devoted to the care and training of children, to children from economically disadvantaged families;

''(3) to provide food service programs in institutions and family day care homes providing child care to children from economically disadvantaged families;

''(4) to provide summer food service programs carried out by nonprofit food authorities, local governments, nonprofit higher education institutions participating in the National Youth Sports Program, and residential nonprofit summer camps to children from economically disadvantaged families; and

''(5) to provide nutritious meals to pre-school age homeless children in shelters and other facilities serving the homeless population.

"(b) ADDITIONAL REQUIREMENTS WITH RESPECT TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

"(1) MINIMUM AMOUNT OF ASSISTANCE.—The State shall ensure that not less than 80 percent of the amount of the grant is used to provide nutritional risk assessment, food assistance based on such nutritional risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children under subsection (a)(1).

"(2) COST CONTAINMENT MEASURES REGARDING PROCUREMENT OF INFANT FORMULA.—

"(A) IN GENERAL.—The State shall, with respect to the provision of food assistance to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children under subsection (a)(1), establish and carry out a cost containment system for the procurement of infant formula.

"(B) USE OF AMOUNTS RESULTING FROM SAVINGS.—The State shall use amounts available to the State as result of savings in costs

to the State from the implementation of the cost containment system described in subparagraph (A) for the purpose of providing the assistance described in paragraphs (1) through (5) of subsection (a).

''(C) ANNUAL REPORTS.—The State shall submit to the Secretary for each fiscal year a report containing—

''(i) a description of the cost containment system for infant formula implemented by the State in accordance with subparagraph (A) for such fiscal year; and

''(ii) the estimated amount of savings in costs derived by the State in providing food assistance described in such subparagraph under such cost containment system for such fiscal year as compared to the amount of such savings derived by the State under the cost containment system for the preceding fiscal year, where appropriate.

''(3) ASSISTANCE FOR MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS.—The State shall ensure that assistance described in subsection (a)(1) is provided to members of the Armed

Forces and dependents of such members (regardless of the State of residence of such members or dependents) who meet the requirements of such subsection on an equitable basis with assistance provided to all other individuals under such subsection in such State.

''(c) ADDITIONAL REQUIREMENT WITH RESPECT TO CHILD CARE ASSISTANCE ON MILITARY INSTALLATIONS.—

''(1) IN GENERAL.—To the extent consistent with the number of children who are receiving assistance under child care programs established and carried out on military installations in such State by the Department of Defense, the State, after timely and appropriate consultation with representatives of such programs, shall provide assistance to such programs for such children (regardless of the State of residence of such children) in accordance with subsection (a)(3) on an equitable basis with assistance provided in accordance with such subsection to all other child care programs carried out in such State.

''(2) LIMITATION.—In providing assistance to a child care program established and carried out on a military installation under paragraph (1), a State shall not require that such program be licensed

under State law if such program is licensed by the Department of Defense.

''(d) AUTHORITY TO USE AMOUNTS FOR OTHER PURPOSES.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), a State may use not more than 20 percent of amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

''(A) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(B) Part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.).

''(C) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

''(D) The National School Lunch Act (42 U.S.C. 1751 et seq.).

''(E) The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

''(2) SUFFICIENT FUNDING DETERMINATION.—Prior to using any amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the provisions of law described in paragraph (1), the appropriate

State agency shall make a determination that sufficient amounts will remain available for such fiscal year to carry out this Act.

''(3) RULES GOVERNING USE OF AMOUNTS FOR OTHER PURPOSES.—Amounts paid to the State under a grant under this Act that are used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this Act, but shall be subject to the same requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"SEC. 6. REPORTS.

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State agrees that it will submit, for such fiscal year, a report to the Secretary describing—

''(1) the number of individuals receiving assistance under the grant in accordance with each of paragraphs (1) through (5) of section 5(a);

''(2) the different types of assistance provided to such individuals in accordance with such paragraphs;

''(3) the extent to which such assistance was effective in achieving the goals described in section 2(b);

''(4) the standards and methods the State is using to ensure the nutritional quality of such assistance, including meals and supplements;

''(5) the number of low birthweight births in the State in such fiscal year compared to the number of such births in the State in the previous fiscal year; and

''(6) any other information which can be reasonably required by the Secretary.

"SEC. 7. PENALTIES.

''(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION OF THIS ACT.—

''(1) IN GENERAL.—The Secretary shall reduce the amounts otherwise payable to a State under a grant under this Act by any amount paid to the State under this Act which an audit conducted pursuant to chapter 75 of title 31, United States Code, finds has been used in violation of this Act.

''(2) LIMITATION.—In carrying out paragraph (1), the Secretary shall not reduce any quarterly payment by more than 25 percent.

"(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED REPORT.—The Secretary shall reduce by 3 percent the amount otherwise payable to a State under a grant under this Act for a fiscal year if the Secretary determines that the State has not submitted the report required by section 6 for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"SEC. 8. MODEL NUTRITION STANDARDS FOR FOOD ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS AND CHILDREN.

"(a) IN GENERAL.—Not later than April 1, 1996, the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences, in cooperation with pediatricians, obstetricians, nutritionists, and directors of programs providing nutritional risk assessment, food assistance, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children, shall develop model nutrition standards for food assistance provided to such women, infants, and children under this Act.

"(b) REQUIREMENT.—Such model nutrition standards shall require that food assistance provided to such

women, infants, and children contain nutrients that are lacking in the diets of such women, infants, and children, as determined by nutritional research.

''(c) REPORT TO CONGRESS.—Not later than 1 year after the date on which the model nutrition standards are developed under subsection (a), the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences shall prepare and submit to the Congress a report regarding the efforts of States to implement such model nutrition standards.

''SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act $4,606,000,000 for fiscal year 1996, $4,777,000,000 for fiscal year 1997, $4,936,000,000 for fiscal year 1998, $5,120,000,000 for fiscal year 1999, and $5,308,000,000 for fiscal year 2000.

''(b) AVAILABILITY.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until the end of the fiscal year subsequent to the fiscal year for which such amounts are appropriated.

''SEC. 10. DEFINITIONS.

''For purposes of this Act:

''(1) BREASTFEEDING WOMEN.—The term 'breastfeeding women' means women up to 1 year postpartum who are breastfeeding their infants.

''(2) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means an individual or a family, as the case may be, whose annual income does not exceed 185 percent of the applicable family size income levels contained in the most recent income poverty guidelines prescribed by the Office of Management and Budget and based on data from the Bureau of the Census.

''(3) INFANTS.—The term 'infants' means individuals under 1 year of age.

''(4) POSTPARTUM WOMEN.—The term 'postpartum women' means women who are in the 180-day period beginning on the termination of pregnancy.

''(5) PREGNANT WOMEN.—The term 'pregnant women' means women who have 1 or more fetuses in utero.

''(6) SCHOOL.—The term 'school' means a public or private nonprofit elementary, intermediate, or secondary school.

''(7) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(8) STATE.—The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth

of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, or a tribal organization (as defined in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l))).

''(9) YOUNG CHILDREN.—The term 'young children' means individuals who have attained the age of 1 but have not attained the age of 5.''.

Subchapter B—School-Based Nutrition Block Grant Program

SEC. 14341. AMENDMENT TO NATIONAL SCHOOL LUNCH ACT.

The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'National School Lunch Act'.

''(b) TABLE OF CONTENTS.—The table of contents is as follows:

''Sec. 1. Short title; table of contents.
''Sec. 2. Authorization.
''Sec. 3. Allotment.
''Sec. 4. Application.
''Sec. 5. Use of amounts.
''Sec. 6. Reports.
''Sec. 7. Penalties.
''Sec. 8. Assistance to children enrolled in private nonprofit schools and Department of Defense domestic dependents' schools in case of restrictions on State or failure by State to provide assistance.
''Sec. 9. Food service programs for department of defense overseas dependents' schools.
''Sec. 10. Model nutrition standards for meals for students.
''Sec. 11. Definitions.

"SEC. 2. AUTHORIZATION.

''(a) ENTITLEMENT.—

''(1) IN GENERAL.—In the case of each State that in accordance with section 4 submits to the Secretary of Agriculture an application for a fiscal year, each such State shall be entitled to receive from the Secretary for such fiscal year a grant for the purpose of achieving the goals described in subsection (b). Subject to paragraph (2), the grant shall consist of the allotment for such State determined under section 3 of the school-based nutrition amount for the fiscal year.

''(2) REQUIREMENT TO PROVIDE COMMODITIES.—9 percent of the amount of the assistance available under this Act for each State shall be in the form of commodities.

''(3) SCHOOL-BASED NUTRITION AMOUNT.—

''(A) IN GENERAL.—For purposes of this Act, the term 'school-based nutrition amount' means, subject to the reservation contained in subparagraph (B), $6,681,000,000 for fiscal year 1996, $6,956,000,000 for fiscal year 1997, $7,237,000,000 for fiscal year 1998, $7,538,000,000 for fiscal year 1999, and $7,849,000,000 for fiscal year 2000.

"(B) RESERVATION.—For each fiscal year described in subparagraph (A), the Secretary shall reserve an amount equal to the amount determined under subsection (c) of section 9 for such fiscal year from the school-based nutrition amount for the purpose of establishing and carrying out nutritious food service programs at Department of Defense overseas dependents' schools in accordance with such section.

"(4) AVAILABILITY.—Payments under a grant to a State from the allotment determined under section 3 for any fiscal year may be obligated by the State in that fiscal year or in the succeeding fiscal year.

"(b) GOALS.—The goals of this Act are—

"(1) to safeguard the health and well-being of children through the provision of nutritious, well-balanced meals and food supplements;

"(2) to provide economically disadvantaged children access to nutritious free or low cost meals, food supplements, and low-cost milk;

"(3) to ensure that children served under this Act are receiving the nutrition they require to take advantage of the educational opportunities provided to them;

''(4) to emphasize foods which are naturally good sources of vitamins and minerals over foods which have been enriched with vitamins and minerals and are high in fat or sodium content;

''(5) to provide a comprehensive school nutrition program for children; and

''(6) to minimize paperwork burdens and administrative expenses for participating schools.

''(c) TIMING OF PAYMENTS.—The Secretary shall provide payments under a grant under this Act to States on a quarterly basis.

''SEC. 3. ALLOTMENT.

''The Secretary shall allot the school-based nutrition amount to carry out this Act for a fiscal year among the States as follows:

''(1) FIRST FISCAL YEAR.—

''(A) IN GENERAL.—With respect to the first fiscal year for which the Secretary provides grants to States under this Act, the amount allotted to each State shall bear the same proportion to such school-based nutrition amount as the aggregate of the amounts described in subparagraph (B) that were received by each such State under the provisions of law described in such subparagraph (as such provisions of law

were in effect on the day before the date of the enactment of the Personal Responsibility Act of 1995) for the preceding fiscal year bears to the aggregate of the amounts described in subparagraph (B) that were received by all such States under such provisions of law for such preceding fiscal year.

''(B) AMOUNTS DESCRIBED.—The amounts described in this subparagraph are the following:

''(i) The amount received under the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

''(ii) The amount received under the school lunch program established under this Act (42 U.S.C. 1751 et seq.).

''(iii) 12.5 percent of the sum of the amounts received under the following programs:

''(I) The child and adult care food program under section 17 of this Act (42 U.S.C. 1766), except for subsection (o) of such section.

"(II) The summer food service program for children established under section 13 of this Act (42 U.S.C. 1761).

"(III) The special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772).

"(2) SECOND FISCAL YEAR.—With respect to the second fiscal year for which the Secretary provides grants to States under this Act—

"(A) 95 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount that bears the same proportion to such school-based nutrition amount as the amount allotted to each such State from a grant under this Act for the preceding fiscal year bears to the aggregate of the amounts allotted to all such States from grants under this Act for such preceding fiscal year; and

"(B) 5 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount that bears the same proportion to such school-based nutri-

tion amount as the relative number of meals served during the 1-year period ending on June 30 of the preceding fiscal year in a State from amounts received from a grant under this Act for such preceding fiscal year bears to the total number of meals served in all States from amounts received from grants under this Act for the preceding fiscal year.

''(3) THIRD AND FOURTH FISCAL YEARS.—With respect to each of the third and fourth fiscal years for which the Secretary provides grants to States under this Act—

''(A) 90 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

''(B) 10 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

''(4) FIFTH FISCAL YEAR.—With respect to the fifth fiscal year for which the Secretary provides grants to States under this Act—

''(A) 85 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

''(B) 15 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

''SEC. 4. APPLICATION.

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State submits to the Secretary an application containing only—

''(1) an agreement that the State will use amounts received from such grant in accordance with section 5;

''(2) except as provided in paragraph (3), an agreement that the State will set minimum nutritional requirements for meals provided under this Act based on the most recent tested nutritional research available, except that—

''(A) such requirements shall not be construed to prohibit the substitution of foods to

accommodate the medical or other special dietary needs of individual students; and

''(B) such requirements shall, at a minimum, be based on—

''(i) the weekly average of the nutrient content of school lunches; or

''(ii) such other standards as the State may prescribe;

''(3) an agreement that the State, with respect to the provision of meals to students, shall—

''(A) implement the minimum nutritional requirements described in paragraph (2) for such meals; or

''(B) implement the model nutrition standards developed under section 10 for such meals;

''(4) an agreement that the State will take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under this Act;

''(5) an agreement that the State will use not more than 2 percent of the amount of such grant for administrative costs incurred to provide assistance under this Act; and

''(6) an agreement that the State will submit to the Secretary a report in accordance with section 6.

"SEC. 5. USE OF AMOUNTS.

''(a) IN GENERAL.—The Secretary may provide a grant under this Act to a State only if the State agrees that it will use all amounts received from such grant to provide assistance to schools to establish and carry out nutritious food service programs that provide affordable meals and supplements to students, which may include—

''(1) nonprofit school breakfast programs;

''(2) nonprofit school lunch programs;

''(3) nonprofit before and after school supplement programs;

''(4) nonprofit low-cost milk services; and

''(5) nonprofit summer meals programs.

''(b) ADDITIONAL REQUIREMENTS.—

''(1) MINIMUM AMOUNT OF GRANT FOR FREE OR LOW COST MEALS OR SUPPLEMENTS.—In providing assistance to schools to establish and carry out nutritious food service programs in accordance with subsection (a), the State shall ensure that not less than 80 percent of the amount of the grant is used to provide free or low cost meals or supplements to economically disadvantaged children.

"(2) PROVISION OF FOOD SERVICE PROGRAMS IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS.—To the extent consistent with the number of children in the State who are enrolled in private nonprofit schools and Department of Defense domestic dependents' schools, the State, after timely and appropriate consultation with representatives of such schools, as the case may be, shall ensure that nutritious food service programs are established and carried out in such schools in accordance with subsection (a) on an equitable basis with nutritious food service programs established and carried out in public nonprofit schools in the State.

"(c) AUTHORITY TO USE AMOUNTS FOR OTHER PURPOSES.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), a State may use not more than 20 percent of amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(A) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(B) Part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.).

"(C) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

"(D) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(E) The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

"(2) SUFFICIENT FUNDING DETERMINATION.—Prior to using any amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the provisions of law described in paragraph (1), the appropriate State agency shall make a determination that sufficient amounts will remain available for such fiscal year to carry out this Act.

"(3) RULES GOVERNING USE OF AMOUNTS FOR OTHER PURPOSES.—Amounts paid to the State under a grant under this Act that are used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this Act, but shall be subject to the same requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"(d) LIMITATION ON PROVISION OF COMMODITIES TO CERTAIN SCHOOL DISTRICTS, PRIVATE NONPROFIT SCHOOLS, AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS.—

"(1) IN GENERAL.—A State may not require a school district, private nonprofit school, or Department of Defense domestic dependents' school described in paragraph (2), except upon the request of such school district, private school, or domestic dependents' school, as the case may be, to accept commodities for use in the food service program of such school district, private school, or domestic dependents' school in accordance with this section. Such school district, private school, or domestic dependents' school may continue to receive commodity assistance in the form that it received such assistance as of January 1, 1987.

"(2) SCHOOL DISTRICT, PRIVATE NONPROFIT SCHOOL, AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOL DESCRIBED.—A school district, private nonprofit school, or Department of Defense domestic dependents' school described in this paragraph is a school district, private nonprofit school, or Department of Defense domestic dependents' school, as the case may be, that as of January

1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for the school lunch program of such school district, private school, or domestic dependents' school under section 18(b) of the National School Lunch Act (42 U.S.C. 1751 et seq.), as such section was in effect on the day before the date of the enactment of the Personal Responsibility Act of 1995.

''(e) PROHIBITION ON PHYSICAL SEGREGATION, OVERT IDENTIFICATION, OR OTHER DISCRIMINATION WITH RESPECT TO CHILDREN ELIGIBLE FOR FREE OR LOW COST MEALS OR SUPPLEMENTS.—In providing assistance to schools to establish and carry out nutritious food service programs in accordance with subsection (a), the State shall ensure that such schools do not—

''(1) physically segregate children eligible to receive free or low cost meals or supplements on the basis of such eligibility;

''(2) provide for the overt identification of such children by special tokens or tickets, announced or published list of names, or other means; or

''(3) otherwise discriminate against such children.

"**SEC. 6. REPORTS.**

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State agrees that it will submit, for such fiscal year, a report to the Secretary describing—

''(1) the number of individuals receiving assistance under the grant;

''(2) the different types of assistance provided to such individuals;

''(3) the total number of meals served to students under the grant, including the percentage of such meals served to economically disadvantaged students;

''(4) the extent to which such assistance was effective in achieving the goals described in section 2(b);

''(5) the standards and methods the State is using to ensure the nutritional quality of such assistance, including meals and supplements; and

''(6) any other information which can be reasonably required by the Secretary.

"**SEC. 7. PENALTIES.**

''(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION OF THIS ACT.—

''(1) IN GENERAL.—The Secretary shall reduce the amounts otherwise payable to a State under a

grant under this Act by any amount paid to the State under this Act which an audit conducted pursuant to chapter 75 of title 31, United States Code, finds has been used in violation of this Act.

''(2) LIMITATION.—In carrying out paragraph (1), the Secretary shall not reduce any quarterly payment by more than 25 percent.

''(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED REPORT.—The Secretary shall reduce by 3 percent the amount otherwise payable to a State under a grant under this Act for a fiscal year if the Secretary determines that the State has not submitted the report required by section 6 for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"SEC. 8. ASSISTANCE TO CHILDREN ENROLLED IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS IN CASE OF RESTRICTIONS ON STATE OR FAILURE BY STATE TO PROVIDE ASSISTANCE.

''(a) IN GENERAL.—If, by reason of any other provision of law, a State is prohibited from providing assistance from amounts received from a grant under this Act to private nonprofit schools or Department of Defense domestic dependents' schools for a fiscal year to establish and carry

out nutritious food service programs in such schools in accordance with section 5(a), or the Secretary determines that a State has substantially failed or is unwilling to provide such assistance to such private nonprofit schools or domestic dependents' schools for such fiscal year, the Secretary shall, after consultation with appropriate representatives of the State and private nonprofit schools or domestic dependents' schools, as the case may be, arrange for the provision of such assistance to private nonprofit schools or domestic dependents' schools in the State for such fiscal year in accordance with the requirements of this Act.

''(b) REDUCTION IN AMOUNT OF STATE GRANT.—If the Secretary arranges for the provision of assistance to private nonprofit schools or Department of Defense domestic dependents' schools in a State for a fiscal year under subsection (a), the amount of the grant for such State for such fiscal year shall be reduced by the amount of such assistance provided to such private nonprofit schools or domestic dependents' schools, as the case may be.

"SEC. 9. FOOD SERVICE PROGRAMS FOR DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

''(a) IN GENERAL.—The Secretary shall make available to the Secretary of Defense for each fiscal year funds

and commodities in an amount determined in accordance with subsection (c) for the purpose of establishing and carrying out nutritious food service programs that provide affordable meals and supplements to students attending Department of Defense overseas dependents' schools.

''(b) REQUIREMENTS.—In carrying out nutritious food service programs under subsection (a), the Secretary of Defense—

''(1) shall ensure that not less than 80 percent of the amount of assistance provided to each school for a fiscal year is used to provide free or low cost meals or supplements to economically disadvantaged children; and

''(2) shall ensure that, with respect to the provision of meals to students, each such school will—

''(A) implement minimum nutritional requirements for meals provided under this section based on the most recent tested nutritional research available, except that—

''(i) such requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

"(ii) such requirements shall, at a minimum, be based on—

"(I) the weekly average of the nutrient content of school lunches; or

"(II) such other standards as the Secretary of Agriculture may prescribe; or

"(B) implement the model nutrition standards developed under section 10 for such meals.

"(c) AMOUNT AND SOURCE OF FUNDS AND COMMODITIES.—

"(1) AMOUNT.—The Secretary, in consultation with the Secretary of Defense, shall determine the amount of funds and commodities necessary for each fiscal year to establish and carry out nutritious food service programs described in subsection (a).

"(2) SOURCE.—Such amount of funds and commodities shall consist of the reservation of the school-based nutrition amount in accordance with section 2(a)(3)(B).

"SEC. 10. MODEL NUTRITION STANDARDS FOR MEALS FOR STUDENTS.

"(a) MODEL NUTRITION STANDARDS.—Not later than April 1, 1996, the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences,

in cooperation with nutritionists and directors of programs providing meals to students under this Act, shall develop model nutrition standards for meals provided to such students under this Act.

''(b) REPORT TO CONGRESS.—Not later than 1 year after the date on which the model nutrition standards are developed under subsection (a), the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences shall prepare and submit to the Congress a report regarding the efforts of States to implement such model nutrition standards.

''SEC. 11. DEFINITIONS.

''For purposes of this Act:

''(1) DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOL.—The term 'Department of Defense domestic dependents' school' means an elementary or secondary school established pursuant to section 2164 of title 10, United States Code.

''(2) DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOL.—The term 'Department of Defense overseas dependents' school' means a Department of Defense dependents' school which is located outside the United States and the territories or possessions of the United States.

''(3) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means an individual or a family, as the case may be, whose annual income does not exceed 185 percent of the applicable family size income levels contained in the most recent income poverty guidelines prescribed by the Office of Management and Budget and based on data from the Bureau of the Census.

''(4) SCHOOL.—The term 'school' means a public or private nonprofit elementary, intermediate, or secondary school.

''(5) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(6) STATE.—The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, or a tribal organization (as defined in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l))).''.

Subchapter C—Miscellaneous Provisions

SEC. 14361. REPEALERS.

The following Acts are repealed:

(1) The Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100–237; 101 Stat. 1733).

(2) The Child Nutrition and WIC Reauthorization Act of 1989 (Public Law 101–147; 103 Stat. 877).

CHAPTER 3—OTHER REPEALERS AND CONFORMING AMENDMENTS

SEC. 14371. AMENDMENTS TO LAWS RELATING TO CHILD PROTECTION BLOCK GRANT.

(a) ABANDONED INFANTS ASSISTANCE.—

(1) REPEALER.—The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is repealed.

(2) CONFORMING AMENDMENT.—Section 421(7) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061(7)) is amended to read as follows:

''(7) the term 'boarder baby' means an infant who is medically cleared for discharge from an acute-care hospital setting, but remains hospitalized because of a lack of appropriate out-of-hospital placement alternatives;''.

(b) CHILD ABUSE PREVENTION AND TREATMENT.—

(1) REPEALER.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—The Victims of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is amended—

(A) in section 1402—

(i) in subsection (d)—

(I) by striking paragraph (2);

(II) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(III) in paragraph (2) (as redesignated by subclause (II))—

(aa) in subparagraph (A), by striking the semicolon at the end and inserting ‘‘; and’’;

(bb) by striking subparagraph (B); and

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

(ii) by striking subsection (g); and

(B) by striking section 1404A.

(c) ADOPTION OPPORTUNITIES.—The Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.) is repealed.

(d) CRISIS NURSERIES.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is amended—

(1) in the title heading by striking ''AND CRISIS NURSERIES'';

(2) in section 201 by striking ''and Crisis Nurseries'';

(3) in section 202—

(A) by striking ''provide: (A) temporary'' and inserting ''to provide temporary''; and

(B) by striking ''children, and (B)'' and all that follows through the period and inserting ''children.'';

(4) by striking section 204; and

(5) in section 205—

(A) in subsection (a)—

(i) in paragraph (1)(A) by striking ''or 204''; and

(ii) in paragraph (2)—

(I) by striking subparagraph (D); and

(II) by redesignating subparagraph (E) as subparagraph (D);

(B) by striking subsection (b)(3); and

(C) in subsection (d)—

(i) by striking paragraph (3); and

(ii) by redesignating paragraphs (4) and (5) as paragraph (3) and (4), respectively.

(e) MISSING CHILDREN'S ASSISTANCE ACT.—The Missing Children's Assistance Act (42 U.S.C. 5771–5779) is repealed.

(f) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481–11489) is repealed.

(g) INVESTIGATION AND PROSECUTION OF CHILD ABUSE CASES.—Subtitle A of title II of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13001–13004) is repealed.

(h) REPEAL OF FAMILY UNIFICATION PROGRAM.—Subsection (x) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f(x)) is repealed.

CHAPTER 4—RELATED PROVISIONS

SEC. 14381. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.

(a) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1996 and at least every second year thereafter; and

(B) for each school district, in 1998 and at least every second year thereafter.

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the

House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

(e) CRITERIA RELATING TO POVERTY.—In carrying out this section, the Secretary shall use the same criteria relating to poverty as were used in the then most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) DEFINITION.—For the purpose of this section, the term ''Secretary'' means the Secretary of Health and Human Services.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,500,000 for each of fiscal years 1996 through 2000.

SEC. 14382. DATA ON PROGRAM PARTICIPATION AND OUTCOMES.

(a) IN GENERAL.—The Secretary shall produce data relating to participation in programs authorized by this Act by families and children. Such data may be produced

by means of sampling, estimation, or any other method that the Secretary determines will produce comprehensive and reliable data.

(b) CONTENT.—Data under this section shall include, but not be limited to—

(1) changes in participation in welfare, health, education, and employment and training programs, for families and children, the duration of such participation, and the causes and consequences of any changes in program participation;

(2) changes in employment status, income and poverty status, family structure and process, and children's well-being, over time, for families and children participating in Federal programs and, if appropriate, other low-income families and children, and the causes and consequences of such changes; and

(3) demographic data, including household composition, marital status, relationship of householders, racial and ethnic designation, age, and educational attainment.

(c) FREQUENCY.—Data under this section shall reflect the period 1993 through 2002, and shall be published as often as practicable during that time, but in any event no later than December 31, 2003.

(d) DEFINITION.—For the purpose of this section, the term ''Secretary'' means the Secretary of Health and Human Services.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $2,500,000 in fiscal year 1996, $10,000,000 for each of fiscal years 1997 through 2002, and $2,000,000 for fiscal year 2003.

CHAPTER 5—GENERAL EFFECTIVE DATE; PRESERVATION OF ACTIONS, OBLIGATIONS, AND RIGHTS

SEC. 14391. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall take effect on October 1, 1995.

SEC. 14392. APPLICATION OF AMENDMENTS AND REPEALERS.

An amendment or repeal made by this subtitle shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to financial assistance provided before the effective date of amendment or repeal, as the case may be, under the Act so amended or so repealed; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such Act.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

SEC. 14400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public

benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS PROGRAMS

SEC. 14401. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (c), any alien who is not lawfully present in the United States shall not be eligible for any Federal means-tested public benefits program (as defined in section 14431(d)(2)).

(b) EXCEPTION FOR EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of noncash,

in-kind emergency assistance (including emergency medical services).

(c) TREATMENT OF HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, except that in the case of financial assistance (as defined in section 214(b) of the Housing and Community Development Act of 1980), the provisions of section 214 of such Act shall apply instead of subsection (a).

SEC. 14402. INELIGIBILITY OF NONIMMIGRANTS FOR CERTAIN PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (c), any alien who is lawfully present in the United States as a nonimmigrant shall not be eligible for any Federal means-tested public benefits program.

(b) EXCEPTIONS.—

(1) EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(2) ALIENS GRANTED ASYLUM.—Subsection (a) shall not apply to an alien who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act.

(3) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

(c) TREATMENT OF HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, except that in the case of financial assistance (as defined in section 214(b) of the Housing and Community Development Act of 1980), the provisions of section 214 of such Act shall apply instead of subsection (a).

(d) TREATMENT OF ALIENS PAROLED INTO THE UNITED STATES.—An alien who is paroled into the

United States under section 212(d)(5) of the Immigration and Nationality Act for a period of less than 1 year shall be considered, for purposes of this chapter, to be lawfully present in the United States as a nonimmigrant.

SEC. 14403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5 SPECIFIED FEDERAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), any alien who is lawfully present in the United States shall not be eligible for any of the following Federal means-tested public benefits programs:

(1) SSI.—The supplemental security income program under title XVI of the Social Security Act.

(2) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(3) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(4) MEDICAID.—The program of medical assistance under title XIX of the Social Security Act.

(5) CONSOLIDATED FOOD ASSISTANCE PROGRAM.—The consolidated program of food assistance under chapter 2 of subtitle E of this title.

(b) EXCEPTIONS.—

(1) TIME-LIMITED EXCEPTION FOR REFUGEES.—Subsection (a) shall not apply to an alien admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of such alien's arrival into the United States.

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—Subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence;

(B) is over 75 years of age; and

(C) has resided in the United States for at least 5 years.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—Subsection (a) shall not apply to an alien who is lawfully residing in any State (or any territory or possession of the United States) and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

(4) EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(5) TRANSITION FOR CURRENT BENEFICIARIES.—Subsection (a) shall not apply to the eligibility of an alien for a program until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is lawfully residing in any State or any territory or possession of the United States and is eligible for the program.

(6) CERTAIN PERMANENT RESIDENT AND DISABLED ALIENS.—Subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence; and

(B) is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Naturalization Act.

SEC. 14404. NOTIFICATION.

Each Federal agency that administers a program to which section 14401, 14402, or 14403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this chapter.

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

SEC. 14411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section, no alien who is not lawfully present in the United States (as determined in accordance with regulations of the Attorney General) shall be eligible for any State means-tested public benefits program (as defined in section 14431(d)(3)).

(b) EXCEPTION FOR EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash,

in-kind emergency assistance (including emergency medical services).

SEC. 14412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section, no alien who is lawfully present in the United States as a nonimmigrant shall be eligible for any State means-tested public benefits program (as defined in section 14431(d)(3)).

(b) EXCEPTIONS.—

(1) EMERGENCY ASSISTANCE.—The limitations under subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(2) ALIENS GRANTED ASYLUM.—Subsection (a) shall not apply to an alien who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act.

(3) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the

spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

(c) TREATMENT OF ALIENS PAROLED INTO THE UNITED STATES.—An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for a period of less than 1 year shall be considered, for purposes of this chapter, to be lawfully present in the United States as a nonimmigrant.

SEC. 14413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IMMIGRANTS FOR STATE AND LOCAL MEANS-TESTED PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section or section 14412, a State is authorized to determine eligibility requirements for aliens who are lawfully present in the United States for any State means-tested public benefits program.

(b) EXCEPTIONS.—

(1) TIME-LIMITED EXCEPTION FOR REFUGEES.—The authority under subsection (a) shall not apply to an alien admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of such alien's arrival into the United States.

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—The authority under subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence;

(B) is over 75 years of age; and

(C) has resided in the United States for at least 5 years.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—The authority under subsection (a) shall not apply to an alien who is lawfully residing in any State (or any territory or possession of the United States) and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

(4) EMERGENCY ASSISTANCE.—The authority under subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(5) TRANSITION.—The authority under subsection (a) shall not apply to eligibility of an alien for a State means-tested public benefits program until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is lawfully present in the United States and is eligible for benefits under the program. Nothing in the previous sentence is intended to address alien eligibility for such a program before the date of the enactment of this Act.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

SEC. 14421. ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO FAMILY-SPONSORED IMMIGRANTS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (c), in determining the eligibility and the amount of benefits of an alien for any means-tested public benefits program (as defined in section 14431(d)) the income and resources of the alien shall be deemed to include—

(1) the income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 14422) in behalf of such alien, and

(2) the income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act.

(c) EXCEPTION FOR HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act.

SEC. 14422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

''REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

''SEC. 213A. (a) ENFORCEABILITY.—No affidavit of support may be accepted by the Attorney General or by

any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

''(1) which is legally enforceable against the sponsor by the Federal Government and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit; and

''(2) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

Such contract shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

''(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

''(c) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to grant third party beneficiary

rights to any sponsored alien under an affidavit of support.

''(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1) The sponsor shall notify the Federal Government and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(1).

''(2) Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

''(A) not less than $250 or more than $2,000, or

''(B) if such failure occurs with knowledge that the sponsored alien has received any benefit under any means-tested public benefits program, not less than $2,000 or more than $5,000.

''(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

''(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe

such regulations as may be necessary to carry out subparagraph (A).

''(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

''(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

''(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

''(f) DEFINITIONS.—For the purposes of this section—

''(1) SPONSOR.—The term 'sponsor' means an individual who—

''(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

''(B) is 18 years of age or over; and

''(C) is domiciled in any State.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

CHAPTER 4—GENERAL PROVISIONS

SEC. 14431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this section, the terms used in this subtitle have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) LAWFUL PRESENCE.—For purposes of this subtitle, the determination of whether an alien is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. An alien shall not be considered to be lawfully present in the United States for purposes of this subtitle merely because the alien may be considered to be permanently residing in the United States under color of law for purposes of any particular program.

(c) STATE.—As used in this subtitle, the term ''State'' includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

(d) PUBLIC BENEFITS PROGRAMS.—As used in this subtitle—

(1) MEANS-TESTED PROGRAM.—The term ''means-tested public benefits program'' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of

the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) FEDERAL MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term ''Federal means-tested public benefits program'' means a means-tested public benefits program of (or contributed to by) the Federal Government and under which the Federal Government has specified standards for eligibility and includes the programs specified in section 14403(a).

(3) STATE MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term ''State means-tested public benefits program'' means a means-tested public benefits program of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal means-tested public benefits program.

SEC. 14432. CONSTRUCTION.

Nothing in this subtitle shall be construed as addressing alien eligibility for governmental programs that are not means-tested public benefits programs.

CHAPTER 5—CONFORMING AMENDMENTS

SEC. 14441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking ''Secretary of Housing and Urban Development'' each place it appears and inserting ''applicable Secretary'';

(2) in subsection (b), by inserting after ''National Housing Act,'' the following: ''the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,'';

(3) in paragraphs (2) through (6) of subsection (d), by striking ''Secretary'' each place it appears and inserting ''applicable Secretary'';

(4) in subsection (d), in the matter following paragraph (6), by striking ''the term 'Secretary''' and inserting ''the term 'applicable Secretary'''; and

(5) by adding at the end the following new subsection:

''(h) For purposes of this section, the term 'applicable Secretary' means—

''(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

''(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.''.

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking ''(1)'';

(2) by striking ''by the Secretary of Housing and Urban Development''; and

(3) by striking paragraph (2).

Subtitle E—Food Stamp Reform and Commodity Distribution

SEC. 14501. SHORT TITLE.

This subtitle may be cited as the ''Food Stamp Reform and Commodity Distribution Act''.

CHAPTER 1—COMMODITY DISTRIBUTION PROVISIONS

SEC. 14511. SHORT TITLE.

This chapter may be cited as the ''Commodity Distribution Act of 1995''.

SEC. 14512. AVAILABILITY OF COMMODITIES.

(a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this chapter referred to as the ''Secretary'') is authorized during fiscal years 1996 through 2000 to purchase a variety of nutritious and useful commodities and distribute such commodities to the States for distribution in accordance with this chapter.

(b) In addition to the commodities described in subsection (a), the Secretary may expend funds made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), which are not expended or needed to carry out such sections, to purchase, process, and distribute commodities of the types customarily purchased under such section to the States for distribution in accordance with this chapter.

(c) In addition to the commodities described in subsections (a) and (b), agricultural commodities and the products thereof made available under clause (2) of the second sentence of section 32 of the Act of August 24,

1935 (7 U.S.C. 612c), may be made available by the Secretary to the States for distribution in accordance with this chapter.

(d) In addition to the commodities described in subsections (a), (b), and (c), commodities acquired by the Commodity Credit Corporation that the Secretary determines, in the discretion of the Secretary, are in excess of quantities needed to—

(1) carry out other domestic donation programs;

(2) meet other domestic obligations;

(3) meet international market development and food aid commitments; and

(4) carry out the farm price and income stabilization purposes of the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act;

shall be made available by the Secretary, without charge or credit for such commodities, to the States for distribution in accordance with this chapter.

(e) During each fiscal year, the types, varieties, and amounts of commodities to be purchased under this chapter shall be determined by the Secretary. In purchasing such commodities, except those commodities purchased pursuant to section 14520, the Secretary shall, to the ex-

tent practicable and appropriate, make purchases based on—

(1) agricultural market conditions;

(2) the preferences and needs of States and distributing agencies; and

(3) the preferences of the recipients.

SEC. 14513. STATE, LOCAL AND PRIVATE SUPPLEMENTATION OF COMMODITIES.

(a) The Secretary shall establish procedures under which State and local agencies, recipient agencies, or any other entity or person may supplement the commodities distributed under this chapter for use by recipient agencies with nutritious and wholesome commodities that such entities or persons donate for distribution, in all or part of the State, in addition to the commodities otherwise made available under this chapter.

(b) States and eligible recipient agencies may use—

(1) the funds appropriated for administrative cost under section 14519(b);

(2) equipment, structures, vehicles, and all other facilities involved in the storage, handling, or distribution of commodities made available under this chapter; and

(3) the personnel, both paid or volunteer, involved in such storage, handling, or distribution;

to store, handle or distribute commodities donated for use under subsection (a).

(c) States and recipient agencies shall continue, to the maximum extent practical, to use volunteer workers, and commodities and other foodstuffs donated by charitable and other organizations, in the distribution of commodities under this chapter.

SEC. 14514. STATE PLAN.

(a) A State seeking to receive commodities under this chapter shall submit a plan of operation and administration every four years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

(b) The State plan, at a minimum, shall—

(1) designate the State agency responsible for distributing the commodities received under this chapter;

(2) set forth a plan of operation and administration to expeditiously distribute commodities under this chapter in quantities requested to eligible recipient agencies in accordance with sections 14516 and 14520;

(3) set forth the standards of eligibility for recipient agencies; and

(4) set forth the standards of eligibility for individual or household recipients of commodities, which at minimum shall require—

(A) individuals or households to be comprised of needy persons; and

(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of application for assistance.

(c) The Secretary shall encourage each State receiving commodities under this chapter to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this chapter in the State.

(d) A State agency receiving commodities under this chapter may—

(1)(A) enter into cooperative agreements with State agencies of other States to jointly provide commodities received under this chapter to eligible recipient agencies that serve needy persons in a single geographical area which includes such States; or

(B) transfer commodities received under this chapter to any such eligible recipient agency in the other State under such agreement; and

(2) advise the Secretary of an agreement entered into under this subsection and the transfer of commodities made pursuant to such agreement.

SEC. 14515. ALLOCATION OF COMMODITIES TO STATES.

(a) In each fiscal year, except for those commodities purchased under section 14520, the Secretary shall allocate the commodities distributed under this chapter as follows:

(1) 60 percent of the such total value of commodities shall be allocated in a manner such that the value of commodities allocated to each State bears the same ratio to 60 percent of such total value as the number of persons in households within the State having incomes below the poverty line bears to the total number of persons in households within all States having incomes below such poverty line. Each State shall receive the value of commodities allocated under this paragraph.

(2) 40 percent of such total value of commodities shall be allocated in a manner such that the value of commodities allocated to each State bears the same ratio to 40 percent of such total value as the average monthly number of unemployed persons within the State bears to the average monthly number of unemployed persons within all States during

the same fiscal year. Each State shall receive the value of commodities allocated to the State under this paragraph.

(b)(1) The Secretary shall notify each State of the amount of commodities that such State is allotted to receive under subsection (a) or this subsection, if applicable. Each State shall promptly notify the Secretary if such State determines that it will not accept any or all of the commodities made available under such allocation. On such a notification by a State, the Secretary shall reallocate and distribute such commodities as the Secretary deems appropriate and equitable. The Secretary shall further establish procedures to permit States to decline to receive portions of such allocation during each fiscal year as the State determines is appropriate and the Secretary shall reallocate and distribute such allocation as the Secretary deems appropriate and equitable.

(2) In the event of any drought, flood, hurricane, or other natural disaster affecting substantial numbers of persons in a State, county, or parish, the Secretary may request that States unaffected by such a disaster consider assisting affected States by allowing the Secretary to reallocate commodities from such unaffected State to States containing areas adversely affected by the disaster.

(c) Purchases of commodities under this chapter shall be made by the Secretary at such times and under such conditions as the Secretary determines appropriate within each fiscal year. All commodities so purchased for each such fiscal year shall be delivered at reasonable intervals to States based on the allocations and reallocations made under subsections (a) and (b), and or carry out section 14520, not later than December 31 of the following fiscal year.

SEC. 14516. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF COMMODITIES.

(a) In distributing the commodities allocated under subsections (a) and (b) of section 14515, the State agency, under procedures determined by the State agency, shall offer, or otherwise make available, its full allocation of commodities for distribution to emergency feeding organizations.

(b) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 14515 through distribution to organizations referred to in subsection (a), its remaining allocation of commodities shall be distributed to charitable institutions described in section 14523(3) not receiving commodities under subsection (a).

(c) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 14515 through distribution to organizations referred to in subsections (a) and (b), its remaining allocation of commodities shall be distributed to any eligible recipient agency not receiving commodities under subsections (a) and (b).

SEC. 14517. INITIAL PROCESSING COSTS.

The Secretary may use funds of the Commodity Credit Corporation to pay the costs of initial processing and packaging of commodities to be distributed under this chapter into forms and in quantities suitable, as determined by the Secretary, for use by the individual households or eligible recipient agencies, as applicable. The Secretary may pay such costs in the form of Corporation-owned commodities equal in value to such costs. The Secretary shall ensure that any such payments in kind will not displace commercial sales of such commodities.

SEC. 14518. ASSURANCES; ANTICIPATED USE.

(a) The Secretary shall take such precautions as the Secretary deems necessary to ensure that commodities made available under this chapter will not displace commercial sales of such commodities or the products thereof. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Commit-

tee on Agriculture, Nutrition, and Forestry of the Senate by December 31, 1997, and not less than every two years thereafter, a report as to whether and to what extent such displacements or substitutions are occurring.

(b) The Secretary shall determine that commodities provided under this chapter shall be purchased and distributed only in quantities that can be consumed without waste. No eligible recipient agency may receive commodities under this chapter in excess of anticipated use, based on inventory records and controls, or in excess of its ability to accept and store such commodities.

SEC. 14519. AUTHORIZATION OF APPROPRIATIONS.

(a) PURCHASE OF COMMODITIES.—To carry out this chapter there are authorized to be appropriated $260,000,000 for each of the fiscal years 1996 through 2000 to purchase, process, and distribute commodities to the States in accordance with this chapter.

(b) ADMINISTRATIVE FUNDS.—

(1) There are authorized to be appropriated $40,000,000 for each of the fiscal years 1996 through 2000 for the Secretary to make available to the States for State and local payments for costs associated with the distribution of commodities by eligible recipient agencies under this chapter, excluding costs associated with the distribution of those com-

modities distributed under section 14520. Funds appropriated under this paragraph for any fiscal year shall be allocated to the States on an advance basis dividing such funds among the States in the same proportions as the commodities distributed under this chapter for such fiscal year are allocated among the States. If a State agency is unable to use all of the funds so allocated to it, the Secretary shall reallocate such unused funds among the other States in a manner the Secretary deems appropriate and equitable.

(2)(A) A State shall make available in each fiscal year to eligible recipient agencies in the State not less than 40 percent of the funds received by the State under paragraph (1) for such fiscal year, as necessary to pay for, or provide advance payments to cover, the allowable expenses of eligible recipient agencies for distributing commodities to needy persons, but only to the extent such expenses are actually so incurred by such recipient agencies.

(B) As used in this paragraph, the term ''allowable expenses'' includes—

(i) costs of transporting, storing, handling, repackaging, processing, and distributing com-

modities incurred after such commodities are received by eligible recipient agencies;

(ii) costs associated with determinations of eligibility, verification, and documentation;

(iii) costs of providing information to persons receiving commodities under this chapter concerning the appropriate storage and preparation of such commodities; and

(iv) costs of recordkeeping, auditing, and other administrative procedures required for participation in the program under this chapter.

(C) If a State makes a payment, using State funds, to cover allowable expenses of eligible recipient agencies, the amount of such payment shall be counted toward the amount a State must make available for allowable expenses of recipient agencies under this paragraph.

(3) States to which funds are allocated for a fiscal year under this subsection shall submit financial reports to the Secretary, on a regular basis, as to the use of such funds. No such funds may be used by States or eligible recipient agencies for costs other than those involved in covering the expenses related to the distribution of commodities by eligible recipient agencies.

(4)(A) Except as provided in subparagraph (B), to be eligible to receive funds under this subsection, a State shall provide in cash or in kind (according to procedures approved by the Secretary for certifying these in-kind contributions) from non-Federal sources a contribution equal to the difference between—

(i) the amount of such funds so received; and

(ii) any part of the amount allocated to the State and paid by the State—

(I) to eligible recipient agencies; or

(II) for the allowable expenses of such recipient agencies; for use in carrying out this chapter.

(B) Funds allocated to a State under this section may, upon State request, be allocated before States satisfy the matching requirement specified in subparagraph (A), based on the estimated contribution required. The Secretary shall periodically reconcile estimated and actual contributions and adjust allocations to the State to correct for overpayments and underpayments.

(C) Any funds distributed for administrative costs under section 14520(b) shall not be covered by this paragraph.

(5) States may not charge for commodities made available to eligible recipient agencies, and may not pass on to such recipient agencies the cost of any matching requirements, under this chapter.

(c) The value of the commodities made available under subsections (c) and (d) of section 14512, and the funds of the Commodity Credit Corporation used to pay the costs of initial processing, packaging (including forms suitable for home use), and delivering commodities to the States shall not be charged against appropriations authorized by this section.

SEC. 14520. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) From the funds appropriated under section 14519(a), $94,500,000 shall be used for each fiscal year to purchase and distribute commodities to supplemental feeding programs serving woman, infants, and children or elderly individuals (hereinafter in this section referred to as the ''commodity supplemental food program''), or serving both groups wherever located.

(b) Not more than 20 percent of the funds made available under subsection (a) shall be made available to the States for State and local payments of administrative

costs associated with the distribution of commodities by eligible recipient agencies under this section. Administrative costs for the purposes of the commodity supplemental food program shall include, but not be limited to, expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

(c)(1) During each fiscal year the commodity supplemental food program is in operation, the types, varieties, and amounts of commodities to be purchased under this section shall be determined by the Secretary, but, if the Secretary proposes to make any significant changes in the types, varieties, or amounts from those that were available or were planned at the beginning of the fiscal year the Secretary shall report such changes before implementation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years 1996 through 2000 to the Secretary.

The Secretary shall use such amounts of cheese and non-fat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.

(d) The Secretary shall, in each fiscal year, approve applications of additional sites for the program, including sites that serve only elderly persons, in areas in which the program currently does not operate, to the full extent that applications can be approved within the appropriations available for the program for the fiscal year and without reducing actual participation levels (including participation of elderly persons under subsection (e)) in areas in which the program is in effect.

(e) If a local agency that administers the commodity supplemental food program determines that the amount of funds made available to the agency to carry out this section exceeds the amount of funds necessary to provide assistance under such program to women, infants, and children, the agency, with the approval of the Secretary, may permit low-income elderly persons (as defined by the Secretary) to participate in and be served by such program.

(f)(1) If it is necessary for the Secretary to pay a significantly higher than expected price for one or more types of commodities purchased under this section, the Secretary shall promptly determine whether the price is

likely to cause the number of persons that can be served in the program in a fiscal year to decline.

(2) If the Secretary determines that such a decline would occur, the Secretary shall promptly notify the State agencies charged with operating the program of the decline and shall ensure that a State agency notify all local agencies operating the program in the State of the decline.

(g) Commodities distributed to States pursuant to this section shall not be considered in determining the commodity allocation to each State under section 14515 or priority of distribution under section 14516.

SEC. 14521. COMMODITIES NOT INCOME.

Notwithstanding any other provision of law, commodities distributed under this chapter shall not be considered income or resources for purposes of determining recipient eligibility under any Federal, State, or local means-tested program.

SEC. 14522. PROHIBITION AGAINST CERTAIN STATE CHARGES.

Whenever a commodity is made available without charge or credit under this chapter by the Secretary for distribution within the States to eligible recipient agencies, the State may not charge recipient agencies any amount that is in excess of the State's direct costs of storing, and transporting to recipient agencies the commodities minus

any amount the Secretary provides the State for the costs of storing and transporting such commodities.

SEC. 14523. DEFINITIONS.

As used in this chapter:

(1) The term ''average monthly number of unemployed persons'' means the average monthly number of unemployed persons within a State in the most recent fiscal year for which such information is available as determined by the Bureau of Labor Statistics of the Department of Labor.

(2) The term ''elderly persons'' means individuals 60 years of age or older.

(3) The term ''eligible recipient agency'' means a public or nonprofit organization that administers—

(A) an institution providing commodities to supplemental feeding programs serving women, infants, and children or serving elderly persons, or serving both groups;

(B) an emergency feeding organization;

(C) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that such institution serves needy persons;

(D) a summer camp for children, or a child nutrition program providing food service;

(E) a nutrition project operating under the Older Americans Act of 1965, including such project that operates a congregate nutrition site and a project that provides home-delivered meals; or

(F) a disaster relief program; and that has been designated by the appropriate State agency, or by the Secretary, and approved by the Secretary for participation in the program established under this chapter.

(4) The term ''emergency feeding organization'' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

(5) The term ''food bank'' means a public and charitable institution that maintains an established operation involving the provision of food or edible

commodities, or the products thereof, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

(6) The term ''food pantry'' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

(7) The term ''needy persons'' means—

(A) individuals who have low incomes or who are unemployed, as determined by the State (in no event shall the income of such individual or household exceed 185 percent of the poverty line);

(B) households certified as eligible to participate in the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(C) individuals or households participating in any other Federal, or Federally assisted, means-tested program.

(8) The term ''poverty line'' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

(9) The term ''soup kitchen'' means a public and charitable institution that, as integral part of its normal activities, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

SEC. 14524. REGULATIONS.

(a) The Secretary shall issue regulations within 120 days to implement this chapter.

(b) In administering this chapter, the Secretary shall minimize, to the maximum extent practicable, the regulatory, recordkeeping, and paperwork requirements imposed on eligible recipient agencies.

(c) The Secretary shall as early as feasible but not later than the beginning of each fiscal year, publish in the Federal Register a nonbinding estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under the commodity distribution program under this chapter during the fiscal year.

(d) The regulations issued by the Secretary under this section shall include provisions that set standards

with respect to liability for commodity losses for the commodities distributed under this chapter in situations in which there is no evidence of negligence or fraud, and conditions for payment to cover such losses. Such provisions shall take into consideration the special needs and circumstances of eligible recipient agencies.

SEC. 14525. FINALITY OF DETERMINATIONS.

Determinations made by the Secretary under this chapter and the facts constituting the basis for any donation of commodities under this chapter, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

SEC. 14526. SALE OF COMMODITIES PROHIBITED.

Except as otherwise provided in section 14517, none of the commodities distributed under this chapter shall be sold or otherwise disposed of in commercial channels in any form.

SEC. 14527. SETTLEMENT AND ADJUSTMENT OF CLAIMS.

(a) The Secretary, or a designee of the Secretary, shall have the authority to—

(1) determine the amount of, settle, and adjust any claim arising under this chapter; and

(2) waive such a claim if the Secretary determines that to do so will serve the purposes of this chapter.

(b) Nothing contained in this section shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.

SEC. 14528. REPEALERS; AMENDMENTS.

(a) The Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is repealed.

(b) AMENDMENTS.—

(1) The Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended—

(A) by striking section 110;

(B) by striking subtitle C of title II; and

(C) by striking section 502.

(2) The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by striking section 4.

(3) The Charitable Assistance and Food Bank Act of 1987 (7 U.S.C. 612c note) is amended by striking section 3.

(4) The Food Security Act of 1985 (7 U.S.C. 612c note) is amended—

(A) by striking section 1571; and

(B) in section 1562(d), by striking ''section 4 of the Agricultural and Consumer Protection Act of 1973'' and inserting ''section 110 of the Commodity Distribution Act of 1995''.

(5) The Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(A) in section 4(a), by striking ''institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants and children or elderly persons, or both, wherever located, disaster areas, summer camps for children'' and inserting ''disaster areas'';

(B) in subsection 4(c), by striking ''the Emergency Food Assistance Act of 1983'' and inserting ''the Commodity Distribution Act of 1995''; and

(C) by striking section 5.

(6) The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 612c note) is amended by striking section 1773(f).

CHAPTER 2—CONSOLIDATING FOOD ASSISTANCE PROGRAMS

SEC. 14541. FOOD STAMP BLOCK GRANT PROGRAM.

(a) AUTHORITY TO MAKE BLOCK GRANTS.—The Secretary of Agriculture shall make grants in accordance with this section to States to provide food assistance to individuals who are economically disadvantaged and to individuals who are members of economically disadvantaged families.

(b) DISTRIBUTION OF FUNDS.—The funds appropriated to carry out this section for any fiscal year shall be allotted among the States as follows:

(1) Of the aggregate amount to be distributed under this section, .21 percent shall be reserved for grants to Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

(2) Of the aggregate amount to be distributed under this section, .24 percent shall be reserved for grants to tribal organizations that have governmental jurisdiction over geographically defined areas and shall be allocated equitably by the Secretary among such organizations.

(3) The remainder of such aggregate amount shall be allocated among the remaining States. The amount allocated to each of the remaining States shall bear the same proportion to such remainder as the number of resident individuals in such State who are economically disadvantaged separately or as members of economically disadvantaged families bears to the aggregate number of resident individuals in all such remaining States who are economically disadvantaged separately or as members of economically disadvantaged families.

(c) ELIGIBILITY TO RECEIVE GRANTS.—To be eligible to receive a grant in the amount allotted to a State for a fiscal year, such State shall submit to the Secretary an application in such form, and containing such information and assurances, as the Secretary may require by rule, including—

(1) an assurance that such grant will be expended by the State to provide food assistance to resident individuals in such State who are economically disadvantaged separately or as members of economically disadvantaged families,

(2) an assurance that not more than 5 percent of such grant will be expended by the State for ad-

ministrative costs incurred to provide assistance under this section, and

(3) an assurance that an individual who has not worked 32 hours in a calendar month shall be ineligible to received food assistance under this chapter during the succeeding month unless such individual is—

(A) disabled,

(B) has attained 60 years of age, or

(C) residing with one or more of such individual's children who have not attained 18 years of age, but is not residing with any other parent of any of such children, unless that other parent is disabled.

(d) ANNUAL REPORT.—Each State that receives funds appropriated to carry out this section for a fiscal year shall submit the Secretary, not later than May 1 following such fiscal year, a report—

(1) specifying the number of families who received food assistance under this section provided by such State in such fiscal year;

(2) specifying the number of individuals who received food assistance under this section provided by such State in such fiscal year;

(3) the amount of such funds expended in such fiscal year by such State to provide food assistance; and

(4) the administrative costs incurred in such fiscal year by such State to provide food assistance.

(e) LIMITATION.—No State or political subdivision of a State that receives funds provided under this subtitle shall replace any employed worker with an individual who is participating in a work program for the purpose of complying with subsection (c)(3). Such an individual may be placed in any position offered by the State or political subdivision that—

(A) is a new position,

(B) is a position that became available in the normal course of conducting the business of the State or political subdivision,

(C) involves performing work that would otherwise be performed on an overtime basis by a worker who is not an individual participating in such program, or

(D) that is a position which became available by shifting a current employee to an alternate position.

(f) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this

section $26,245,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.

(2) For the purpose of affording adequate notice of funding available under this section, an appropriation to carry out this section is authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which such appropriation is available for obligation.

SEC. 14542. AVAILABILITY OF FEDERAL COUPON SYSTEM TO STATES.

(a) ISSUANCE, PURCHASE, AND USE OF COUPONS.—The Secretary shall issue, and make available for purchase by States, coupons for the retail purchase of food from retail food stores that are approved in accordance with subsection (b). Coupons issued, purchased, and used as provided in this section shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States. The purchase price of each coupon issued under this subsection shall be the face value of such coupon.

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—(1) Regulations issued pursuant to this section shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to

accept and redeem coupons under this section. In determining the qualifications of applicants, there shall be considered among such other factors as may be appropriate, the following:

(A) The nature and extent of the food business conducted by the applicant.

(B) The volume of coupon business which may reasonably be expected to be conducted by the applicant food store or wholesale food concern.

(C) The business integrity and reputation of the applicant.

Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval. The Secretary is authorized to issue regulations providing for a periodic reauthorization of retail food stores and wholesale food concerns.

(2) A buyer or transferee (other than a bona fide buyer or transferee) of a retail food store or wholesale food concern that has been disqualified under subsection (d) may not accept or redeem coupons until the Secretary receives full payment of any penalty imposed on such store or concern.

(3) Regulations issued pursuant to this section shall require an applicant retail food store or wholesale food concern to submit information which will permit a deter-

mination to be made as to whether such applicant qualifies, or continues to qualify, for approval under this section or the regulations issued pursuant to this section. Regulations issued pursuant to this section shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of this section or the regulations issued pursuant to this section, except that such information may be disclosed to and used by States that purchase such coupons.

(4) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the program under this sectionmay obtain a hearing on such refusal as provided in subsection (f).

(c) REDEMPTION OF COUPONS.—Regulations issued under this section shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through financial institutions which are insured by the Federal Deposit Insurance Corporation, or which are insured under the Federal Credit Union Act (12 U.S.C. 1751 et seq.) and have retail food stores or wholesale food concerns in their field of membership, with the cooperation of the Treasury Department, except that retail food stores defined in section

14533(5)(D) shall be authorized to redeem their members' food coupons prior to receipt by the members of the food so purchased, and publicly operated community mental health centers or private nonprofit organizations or institutions which serve meals to narcotics addicts or alcoholics in drug addiction or alcoholic treatment and rehabilitation programs, public and private nonprofit shelters that prepare and serve meals for battered women and children, public or private nonprofit group living arrangements that serve meals to disabled or blind residents, and public or private nonprofit establishments, or public or private nonprofit shelters that feed individuals who do not reside in permanent dwellings and individuals who have no fixed mailing addresses shall not be authorized to redeem coupons through financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Credit Union Act. No financial institution may impose on or collect from a retail food store a fee or other charge for the redemption of coupons that are submitted to the financial institution in a manner consistent with the requirements, other than any requirements relating to cancellation of coupons, for the presentation of coupons by financial institutions to the Federal Reserve banks.

(d) CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD

CONCERNS.—(1) Any approved retail food store or wholesale food concern may be disqualified for a specified period of time from further participation in the coupon program under this section, or subjected to a civil money penalty of up to $10,000 for each violation if the Secretary determines that its disqualification would cause hardship to individuals who receive coupons, on a finding, made as specified in the regulations, that such store or concern has violated this section or the regulations issued pursuant to this section.

(2) Disqualification under paragraph (1) shall be—

(A) for a reasonable period of time, of no less than 6 months nor more than 5 years, upon the first occasion of disqualification,

(B) for a reasonable period of time, of no less than 12 months nor more than 10 years, upon the second occasion of disqualification, and

(C) permanent upon—

(i) the third occasion of disqualification,

(ii) the first occasion or any subsequent occasion of a disqualification based on the purchase of coupons or trafficking in coupons by a retail food store or wholesale food concern, except that the Secretary shall have the discretion to impose a civil money penalty of up to

$20,000 for each violation (except that the amount of civil money penalties imposed for violations occurring during a single investigation may not exceed $40,000) in lieu of disqualification under this subparagraph, for such purchase of coupons or trafficking in coupons that constitutes a violation of this section or the regulations issued pursuant to this section, if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that such store or food concern had an effective policy and program in effect to prevent violations of this section and such regulations, or

(iii) a finding of the sale of firearms, ammunition, explosives, or controlled substance (as defined in section 802 of title 21, United States Code) for coupons, except that the Secretary shall have the discretion to impose a civil money penalty of up to $20,000 for each violation (except that the amount of civil money penalties imposed for violations occurring during a single

investigation may not exceed $40,000) in lieu of disqualification under this subparagraph if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that the store or food concern had an effective policy and program in effect to prevent violations of this section.

(3) The action of disqualification or the imposition of a civil money penalty shall be subject to review as provided in subsection (f).

(4) As a condition of authorization to accept and redeem coupons issued under subsection (a), the Secretary may require a retail food store or wholesale food concern which has been disqualified or subjected to a civil penalty pursuant to paragraph (1) to furnish a bond to cover the value of coupons which such store or concern may in the future accept and redeem in violation of this section. The Secretary shall, by regulation, prescribe the amount, terms, and conditions of such bond. If the Secretary finds that such store or concern has accepted and redeemed coupons in violation of this section after furnishing such bond, such store or concern shall forfeit to the Secretary an

amount of such bond which is equal to the value of coupons accepted and redeemed by such store or concern in violation of this section. Such store or concern may obtain a hearing on such forfeiture pursuant to subsection (f).

(5)(A) In the event any retail food store or wholesale food concern that has been disqualified under paragraph (1) is sold or the ownership thereof is otherwise transferred to a purchaser or transferee, the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern shall be subjected to a civil money penalty in an amount established by the Secretary through regulations to reflect that portion of the disqualification period that has not yet expired. If the retail food store or wholesale food concern has been disqualified permanently, the civil money penalty shall be double the penalty for a 10-year disqualification period, as calculated under regulations issued by the Secretary. The disqualification period imposed under paragraph (2) shall continue in effect as to the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern notwithstanding the imposition of a civil money penalty under this paragraph.

(B) At any time after a civil money penalty imposed under subparagraph (A) has become final under subsection (f)(1), the Secretary may request the Attorney

General of the United States to institute a civil action against the person or persons subject to the penalty in a district court of the United States for any district in which such person or persons are found, reside, or transact business to collect the penalty and such court shall have jurisdiction to hear and decide such action. In such action, the validity and amount of such penalty shall not be subject to review.

(C) The Secretary may impose a fine against any retail food store or wholesale food concern that accepts coupons that are not accompanied by the corresponding book cover, other than the denomination of coupons used for making change as specified in regulations issued under this section. The amount of any such fine shall be established by the Secretary and may be assessed and collected separately in accordance with regulations issued under this section or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the store or concern to collect the fine.

(6) The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem coupons who violates this section or a regulation issued under this section, including violations concerning the ac-

ceptance of coupons. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations issued under this section separately or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the person to collect the fine.

(e) COLLECTION AND DISPOSITION OF CLAIMS.—The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under this section or the regulations issued pursuant to this section, including, but not limited to, claims arising from fraudulent and nonfraudulent overissuances to recipients, including the power to waive claims if the Secretary determines that to do so would serve the purposes of this section. Such powers with respect to claims against recipients may be delegated by the Secretary to State agencies.

(f) ADMINISTRATIVE AND JUDICIAL REVIEW.—(1) Whenever—

(A) an application of a retail food store or wholesale food concern for approval to accept and redeem coupons issued under subsection (a) is denied pursuant to this section,

(B) a retail food store or wholesale food concern is disqualified or subjected to a civil money penalty under subsection (d),

(C) all or part of any claim of a retail food store or wholesale food concern is denied under subsection (e), or

(D) a claim against a State is stated pursuant to subsection (e),

notice of such administrative action shall be issued to the retail food store, wholesale food concern, or State involved. Such notice shall be delivered by certified mail or personal service. If such store, concern, or State is aggrieved by such action, it may, in accordance with regulations promulgated under this section, within 10 days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store, concern, or State fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such request is made by such store, concern, or State such information as may be submitted by such store, concern, or State as well as such other information as may be available, shall be reviewed by the person or persons designated by the Secretary, who

shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect 30 days after the date of the delivery or service of such final notice of determination. If such store, concern, or State feels aggrieved by such final determination, it may obtain judicial review thereof by filing a complaint against the United States in the United States court for the district in which it resides or is engaged in business, or, in the case of a retail food store or wholesale food concern, in any court of record of the State having competent jurisdiction, within 30 days after the date of delivery or service of the final notice of determination upon it, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as the Secretary may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid, it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal

therefrom, the administrative action under review shall be and remain in full force and effect, unless on application to the court on not less than ten days' notice, and after hearing thereon and a consideration by the court of the applicant's likelihood of prevailing on the merits and of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

(g) VIOLATIONS AND ENFORCEMENT.—(1) Subject to paragraph (2), whoever knowingly uses, transfers, acquires, alters, or possesses coupons in any manner contrary to this section or the regulations issued pursuant to this section shall, if such coupons are of a value of $5,000 or more, be guilty of a felony and shall be fined not more than $250,000 or imprisoned for not more than 20 years, or both, and shall, if such coupons are of a value of $100 or more, but less than $5,000, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than $10,000 or imprisoned for not more than 5 years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than 6 months nor more than 5 years and may also be fined not more than $10,000 or, if such coupons are of a value of less than $100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more

than $1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000.

(2) In the case of any individual convicted of an offense under paragraph (1), the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

(3) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of $100 or more, knowing the same to have been received, transferred, or used in any manner in violation of this section or the regulations issued under this section, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than $20,000 or imprisoned for not more than 5 years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than 5 years and may also

be fined not more than $20,000, or, if such coupons are of a value of less than $100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000.

SEC. 14543. DEFINITIONS.

For purposes of this chapter—

(1) the term ''coupon'' means any coupon, stamp, or type of certificate, but does not include currency,

(2) the term ''economically disadvantaged'' means an individual or a family, as the case may be, whose income does not exceed the most recent lower living standard income level published by the Department of Labor,

(3) the term ''elderly or disabled individual'' means an individual who—

(A) is 60 years of age or older,

(B)(i) receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or Federally or State administered supplemental benefits

of the type described in section 212(a) of Public Law 93–66 (42 U.S.C. 1382 note), or

(ii) receives Federally or State administered supplemental assistance of the type described in section 1616(a) of the Social Security Act (42 U.S.C. 1382e(a)), interim assistance pending receipt of supplemental security income, disability-related medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), or disability-based State general assistance benefits, if the Secretary determines that such benefits are conditioned on meeting disability or blindness criteria at least as stringent as those used under title XVI of the Social Security Act,

(C) receives disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.) or receives disability retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)),

(D) is a veteran who—

(i) has a service-connected or non-service-connected disability which is rated

as total under title 38, United States Code, or

(ii) is considered in need of regular aid and attendance or permanently housebound under such title,

(E) is a surviving spouse of a veteran and—

(i) is considered in need of regular aid and attendance or permanently housebound under title 38, United States Code, or

(ii) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)),

(F) is a child of a veteran and—

(i) is considered permanently incapable of self-support under section 414 of title 38, United States Code, or

(ii) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under

title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)), or

(G) is an individual receiving an annuity under section 2(a)(1)(iv) or 2(a)(1)(v) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)(1)(iv) or 231a(a)(1)(v)), if the individual's service as an employee under the Railroad Retirement Act of 1974, after December 31, 1936, had been included in the term ''employment'' as defined in the Social Security Act (42 U.S.C. 301 et seq.), and if an application for disability benefits had been filed,

(4) the term ''food'' means, for purposes of section 14542(a) only—

(A) any food or food product for home consumption except alcoholic beverages, tobacco, and hot foods or hot food products ready for immediate consumption other than those authorized pursuant to subparagraphs (C), (D), (E), (G), (H), and (I),

(B) seeds and plants for use in gardens to produce food for the personal consumption of the eligible individuals,

(C) in the case of those persons who are 60 years of age or over or who receive supplemental security income benefits or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), and their spouses, meals prepared by and served in senior citizens' centers, apartment buildings occupied primarily by such persons, public or private nonprofit establishments (eating or otherwise) that feed such persons, private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices, and meals prepared for and served to residents of federally subsidized housing for the elderly,

(D) in the case of persons 60 years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contracts with the appropriate State agency to perform such services at concessional prices,

(E) in the case of narcotics addicts or alcoholics, and their children, served by drug addiction or alcoholic treatment and rehabilitation programs, meals prepared and served under such programs,

(F) in the case of eligible individuals living in Alaska, equipment for procuring food by hunting and fishing, such as nets, hooks, rods, harpoons, and knives (but not equipment for purposes of transportation, clothing, or shelter, and not firearms, ammunition, and explosives) if the Secretary determines that such individuals are located in an area of the State where it is extremely difficult to reach stores selling food and that such individuals depend to a substantial extent upon hunting and fishing for subsistence,

(G) in the case of disabled or blind recipients of benefits under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), or are individuals described in subparagraphs (B) through (G) of paragraph (4), who are residents in a public or private nonprofit group living arrangement that serves no more than 16 residents and is certified by the appro-

priate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act (42 U.S.C. 1382e(e)) or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section, meals prepared and served under such arrangement,

(H) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters, and

(I) in the case of individuals that do not reside in permanent dwellings and individuals that have no fixed mailing addresses, meals prepared for and served by a public or private nonprofit establishment (approved by an appropriate State or local agency) that feeds such individuals and by private establishments that contract with the appropriate agency of the State to offer meals for such individuals at concessional prices,

(5) the term ''retail food store'' means—

(A) an establishment or recognized department thereof or house-to-house trade route,

over 50 percent of whose food sales volume, as determined by visual inspection, sales records, purchase records, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry, consists of staple food items for home preparation and consumption, such as meat, poultry, fish, bread, cereals, vegetables, fruits, dairy products, and the like, but not including accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices,

(B) an establishment, organization, program, or group living arrangement referred to in subparagraph (C), (D), (E), (G), (H), or (I) of paragraph (5),

(C) a store purveying the hunting and fishing equipment described in paragraph (5)(F), or

(D) any private nonprofit cooperative food purchasing venture, including those in which the members pay for food purchased prior to the receipt of such food,

(6) the term ''school'' means an elementary, intermediate, or secondary school,

(7) the term ''Secretary'' means the Secretary of Agriculture,

(8) the term ''State'' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, Palau, or a tribal organization that exercises governmental jurisdiction over a geographically defined area, and

(9) the term ''tribal organization'' has the meaning given it in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l)).

SEC. 14544. REPEALER.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is repealed.

CHAPTER 3—EFFECTIVE DATES AND MISCELLANEOUS PROVISIONS

SEC. 14591. EFFECTIVE DATE; APPLICATION OF REPEALER.

(a) EFFECTIVE DATES.—

(1) GENERAL EFFECTIVE DATE OF SUBTITLE A.—Subtitle A shall take effect on October 1, 1995.

(2) GENERAL EFFECTIVE DATE OF SUBTITLE A/B.—Except as provided in subsection (b), subtitle B and the repeal made by section 14544 shall take effect on the date of the enactment of this title.

(3) SPECIAL EFFECTIVE DATE.—The repeal made by section 14544 shall not take effect until the first day of the first fiscal year for which funds are appropriated more than 180 days in advance of such fiscal year to carry out section 14541.

(b) APPLICATION OF REPEALER.—The repeal made by section 14544 shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to financial assistance provided under the Food Stamp Act of 1977 before the effective date of such repeal, and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such Act.

SEC. 14592. SENSE OF THE CONGRESS.

It is the sense of the Congress that States that operate electronic benefit systems to transfer benefits provided under the Food Stamp Act of 1977 should operate electronic benefit systems that are compatible with each other.

SEC. 14593. DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from subtitle B shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

Subtitle F—Supplemental Security Income

SEC. 14601. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following:

''(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1611(e) of such Act (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1631(a)(2)(A)(ii) of such Act (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking ''(I)''; and

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking ''(ix)'' and inserting ''(viii)'';

(C) in clause (ix)—

(i) by striking ''(viii)'' and inserting ''(vii)''; and

(ii) in subclause (II), by striking all that follows ''15 years'' and inserting a period;

(D) in clause (xiii)—

(i) by striking ''(xii)'' and inserting ''(xi)''; and

(ii) by striking ''(xi)'' and inserting ''(x)''; and

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) of such Act (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows ''$25.00 per month'' and inserting a period.

(5) Section 1634 of such Act (42 U.S.C. 1383c) is amended by striking subsection (e).

(6) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking ''—'' and all that follows through ''(A)'' the 1st place such term appears;

(B) by striking ''and'' the 3rd place such term appears;

(C) by striking subparagraph (B);

(D) by striking ''either subparagraph (A) or subparagraph (B)'' and inserting ''the preceding sentence''; and

(E) by striking ''subparagraph (A) or (B)'' and inserting ''the preceding sentence''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995, and shall apply with respect to months beginning on or after such date.

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000

for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: ''This paragraph is subject to subsection (j).'';

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following: ''and for each of the fiscal years 1995 through 2000''; and

(D) by inserting after subsection (i) the following subsection:

''(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

"(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclusive grants under this section.

"(2) REQUIREMENTS.—The Director may make a grant under paragraph (1) only if, by the date specified by the Director, the State submits to the Director an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Director determines to be necessary to carry out this subsection, and if the application contains an agreement by the State in accordance with the following:

"(A) The State will expend the grant in accordance with the priority described in subsection (b)(1).

"(B) The State will comply with the conditions described in each of subsections (c), (d), (g), and (h).

''(3) ALLOTMENT.—

''(A) For purposes of paragraph (1), the allotment under this paragraph for a State for a fiscal year shall, except as provided in subparagraph (B), be the product of—

''(i) the amount appropriated in section 14601(d)(1)(A) of the Personal Responsibility Act of 1995 for the fiscal year, together with any additional amounts appropriated to carry out this section for the fiscal year; and

''(ii) the percentage determined for the State under the formula established in section 1933(a).

''(B) Subsections (b) through (d) of section 1933 apply to an allotment under subparagraph (A) to the same extent and in the same manner as such subsections apply to an allotment under subsection (a) of section 1933.''.

SEC. 14602. SUPPLEMENTAL SECURITY INCOME BENEFITS FOR DISABLED CHILDREN.

(a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENEFITS.—

(1) IN GENERAL.—Section 1614(a)(3)(A) of the Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is amended—

(A) by inserting ''(i)'' after ''(3)(A)'';

(B) by inserting ''who has attained 18 years of age'' before ''shall be considered'';

(C) by striking ''he'' and inserting ''the individual'';

(D) by striking ''(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment impairment of comparable severity)''; and

(E) by adding after and below the end the following:

''(ii) An individual who has not attained 18 years of age shall be considered to be disabled for purposes of this title for a month if the individual—

''(I) meets all non-disability-related requirements for eligibility for cash benefits under this title;

''(II) has any medically determinable physical or mental impairment (or combination of impairments) that meets the requirements, applicable to individuals who have not attained 18 years of age, of the Listings of Impairments set forth in appendix

1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994), or that is equivalent in severity to such an impairment (or such a combination of impairments); and

''(III)(aa) for the month preceding the first month for which this clause takes effect, was eligible for cash benefits under this title by reason of disability; or

''(bb) as a result of the impairment (or combination of impairments) involved—

''(1) is in a hospital, skilled nursing facility, nursing facility, residential treatment facility, intermediate care facility for the mentally retarded, or other medical institution; or

''(2) would be required to be placed in such an institution if the individual were not receiving personal assistance necessitated by the impairment (or impairments).

''(iii) As used in clause (ii)(III)(bb)(2), the term 'personal assistance' includes at least hands-on or stand-by assistance, supervision, or cueing, with activities of daily living and the administration of medical treatment (where applicable). For purposes of the preceding sentence, the term 'acitivities of daily living' means eating, toileting, dressing, bathing, and transferring.''.

(2) NOTICE.—Within 1 month after the date of the enactment of this Act, the Commissioner of Social Security shall notify each individual whose eligibility for cash supplemental security income benefits under title XVI of the Social Security Act will terminate by reason of the amendments made by paragraph (1) of such termination.

(3) ANNUAL REPORTS ON LISTINGS OF IMPAIRMENTS.—The Commissioner of Social Security shall annually submit to the Congress a report on the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994), that are applicable to individuals who have not attained 18 years of age, and recommend any necessary revisions to the listings.

(b) ESTABLISHMENT OF PROGRAM OF BLOCK GRANTS REGARDING CHILDREN WITH DISABILITIES.—

(1) IN GENERAL.—Title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) is amended by adding at the end the following:

"PART C—BLOCK GRANTS TO STATES FOR CHILDREN WITH DISABILITIES

"SEC. 1641. ENTITLEMENT TO GRANTS.

''Each State that meets the requirements of section 1642 for fiscal year 1997 or any subsequent fiscal year shall be entitled to receive from the Commissioner for the fiscal year a grant in an amount equal to the allotment (as defined in section 1646(1)) of the State for the fiscal year.

"SEC. 1642. REQUIREMENTS.

''(a) IN GENERAL.—A State meets the requirements of this section for a grant under section 1641 for a fiscal year if by the date specified by the Commissioner, the State submits to the Commissioner an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Commissioner determines to be necessary to carry out this part, and if the application contains an agreement by the State in accordance with the following:

''(1) The grant will not be expended for any purpose other than providing authorized services (as defined in section 1646(2)) to qualifying children (as defined in section 1646(3)).

''(2)(A) In providing authorized services, the State will make every reasonable effort to obtain payment for the services from other Federal or State

programs that provide payment for such services and from private entities that are legally liable to make the payments pursuant to insurance policies, prepaid plans, or other arrangements.

''(B) The State will expend the grant only to the extent that payments from the programs and entities described in subparagraph (A) are not available for authorized services provided by the State.

''(3) The State will comply with the condition described in subsection (b).

''(4) The State will comply with the condition described in subsection (c).

''(b) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—The condition referred to in subsection (a)(3) for a State for a fiscal year is that, with respect to the purposes described in paragraph (2), the State will maintain expenditures of non-Federal amounts for such purposes at a level that is not less than the following, as applicable:

''(A) For the first fiscal year for which the State receives a grant under section 1641, an amount equal to the difference between—

''(i) the average level of such expenditures maintained by the State for the 2-year period preceding October 1, 1995 (ex-

cept that, if such first fiscal year is other than fiscal year 1997, the amount of such average level shall be increased to the extent necessary to offset the effect of inflation occurring after October 1, 1995); and

''(ii) the aggregate of non-Federal expenditures made by the State for such 2-year period pursuant to section 1618 (as such section was in effect for such period).

''(B) For each subsequent fiscal year, the amount applicable under subparagraph (A) increased to the extent necessary to offset the effect of inflation occurring after the beginning of the fiscal year to which such subparagraph applies.

''(2) RELEVANT PURPOSES.—The purposes described in this paragraph are any purposes designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments, including such purposes that are authorized to be carried out under title XIX.

''(3) RULE OF CONSTRUCTION.—With respect to compliance with the agreement made by a State pursuant to paragraph (1), the State has discretion to select, from among the purposes described in

paragraph (2), the purposes for which the State expends the non-Federal amounts reserved by the State for such compliance.

''(4) USE OF CONSUMER PRICE INDEX.—Determinations under paragraph (1) of the extent of inflation shall be made through use of the consumer price index for all urban consumers, U.S. city average, published by the Bureau of Labor Statistics.

''(c) ASSESSMENT OF NEED FOR SERVICES.—The condition referred to in subsection (a)(4) for a State for a fiscal year is that each qualifying child will be permitted to apply for authorized services, and will be provided with an opportunity to have an assessment conducted to determine the need of such child for authorized services.

''SEC. 1643. AUTHORITY OF STATE.

''The following decisions are in the discretion of a State with respect to compliance with an agreement made by the State under section 1642(a)(1):

''(1) Decisions regarding which of the authorized services are provided.

''(2) Decisions regarding who among qualifying children in the State receives the services.

''(3) Decisions regarding the number of services provided for the qualifying child involved and the duration of the services.

"SEC. 1644. AUTHORIZED SERVICES.

''(a) AUTHORITY OF COMMISSIONER.—The Commissioner, subject to subsection (b), shall issue regulations designating the purposes for which grants under section 1641 are authorized to be expended by the States.

''(b) REQUIREMENTS REGARDING SERVICES.—The Commissioner shall ensure that the purposes authorized under subsection (a)—

''(1) are designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments;

''(2) include medical and nonmedical services; and

''(3) do not include the provision of cash benefits.

"SEC. 1645. GENERAL PROVISIONS.

''(a) ISSUANCE OF REGULATIONS.—Regulations under this part shall be issued in accordance with procedures established for the issuance of substantive rules under section 553 of title 5, United States Code. Payments under grants under section 1641 for fiscal year 1997 shall begin not later than January 1, 1997, without regard to whether final rules under this part have been issued and without regard to whether such rules have taken effect.

''(b) PROVISIONS REGARDING OTHER PROGRAMS.—

"(1) INAPPLICABILITY OF VALUE OF SERVICES.—The value of authorized services provided under this part shall not be taken into account in determining eligibility for, or the amount of, benefits or services under any Federal or federally-assisted program.

"(2) MEDICAID PROGRAM.—For purposes of title XIX, each qualifying child shall be considered to be a recipient of supplemental security income benefits under this title (without regard to whether the child has received authorized services under this part and without regard to whether the State involved is receiving a grant under section 1641). The preceding sentence applies on and after the date of the enactment of this part.

"(c) USE BY STATES OF EXISTING DELIVERY SYSTEMS.—With respect to the systems utilized by the States to deliver services to individuals with disabilities (including systems utilized before the date of the enactment of the Personal Responsibility Act of 1995), it is the sense of the Congress that the States should utilize such systems in providing authorized services under this part.

"(d) REQUIRED PARTICIPATION OF STATES.—Subparagraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall not apply to a State that does not participate in the pro-

gram established in this part for fiscal year 1997 or any succeeding fiscal year.

"SEC. 1646. DEFINITIONS.

''As used in this part:

''(1) ALLOTMENT.—The term 'allotment' means, with respect to a State and a fiscal year, the product of—

''(A) an amount equal to the difference between—

''(i) the number of qualifying children in the State (as determined for the most recent 12-month period for which data are available to the Commissioner); and

''(ii) the number of qualifying children in the State receiving cash benefits under this title by reason of disability (as so determined); and

''(B) an amount equal to 75 percent of the mean average of the respective annual totals of cash benefits paid under this title to each qualifying child described in subparagraph (A)(ii) (as so determined).

''(2) AUTHORIZED SERVICE.—The term 'authorized service' means each purpose authorized by the Commissioner under section 1644(a).

''(3) QUALIFYING CHILD.—

''(A) IN GENERAL.—The term 'qualifying child' means an individual who—

''(i) has not attained 18 years of age; and

''(ii)(I) is eligible for cash benefits under this title by reason of disability; or

''(II) meets the conditions described in subclauses (I) and (II) of section 1614(a)(3)(A)(ii), but (by reason of subclause (III) of such section) is not eligible for such cash benefits.

''(B) RESPONSIBILITIES OF COMMISSIONER.—The Commissioner shall provide for determinations of whether individuals meet the criteria established in subparagraph (A) for status as qualifying children. Such determinations shall be made in accordance with the provisions otherwise applicable under this title with respect to such criteria.''.

(2) RULE REGARDING CERTAIN MILITARY PARENTS; CASH BENEFITS FOR QUALIFYING CHILDREN.—Section 1614(a)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amended by striking ''United States, and who, for the

month'' and all that follows and inserting the following: ''United States, and—

''(I) who, for the month before the parent reported for such assignment, received a cash benefit under this title by reason of blindness, or

''(II) for whom, for such month, a determination was in effect that the child is a qualifying child under section 1646(3).''.

(c) PROVISIONS RELATING TO SSI CASH BENEFITS AND SSI SERVICE BENEFITS.—

(1) CONTINUING DISABILITY REVIEWS FOR CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

(A) by inserting ''(i)'' after ''(G)''; and

(B) by adding at the end the following:

''(ii)(I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for cash benefits under this title and for services under part C—

''(aa) of each individual who has not attained 18 years of age and is eligible for such cash benefits by reason of disability; and

''(bb) of each qualifying child (as defined in section 1646(3)).

''(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.''.

(2) DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended by paragraph (1) of this subsection, is amended by adding at the end the following:

''(iii)(I) The Commissioner shall redetermine the eligibility for—

''(aa) cash benefits under this title by reason of disability of an individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled; and

''(bb) services under part C of an individual who is eligible for such services by reason of low birth weight.

''(II) The redetermination required by subclause (I) shall be conducted once the individual has received such benefits for 12 months.

''(III) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.''.

(3) APPLICABILITY OF MEDICAID RULES REGARDING COUNTING OF CERTAIN ASSETS AND TRUSTS OF CHILDREN.—Section 1613(c) of the Social Security Act (42 U.S.C. 1382b(c)) is amended to read as follows:

''TREATMENT OF CERTAIN ASSETS AND TRUSTS IN ELIGIBILITY DETERMINATIONS FOR CHILDREN

''(c) Subsections (c) and (d) of section 1917 shall apply to determinations of eligibility for benefits under this title in the case of an individual who has not attained 18 years of age in the same manner as such subsections apply to determinations of eligibility for medical assistance under a State plan under title XIX, except that—

''(1) the amount described in section 1917(c)(1)(E)(i)(II) shall be the amount of cash benefits payable under this title to an eligible individual who does not have an eligible spouse and who has no income or resources;

''(2) the look-back date specified in section 1917(c)(1)(B) shall be the date that is 36 months before the date the individual has applied for benefits under this title; and

''(3) any assets in a trust over which the individual has control shall be considered assets of the individual.''.

(d) CONFORMING AMENDMENTS.—

(1) Subsections (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B) of section 1611 of the Social Security Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B)) are each amended by inserting ''cash'' before ''benefit under this title''.

(2) Section 1611(c)(1) of such Act (42 U.S.C. 1382(c)(1)) is amended—

(A) by striking ''a benefit'' and inserting ''benefits'';

(B) by striking ''such benefit'' and inserting ''the cash benefit under this title''; and

(C) by striking ''and the amount of such benefits'' and inserting ''benefits under this title and the amount of any cash benefit under this title''.

(3) Section 1611(c)(2) of such Act (42 U.S.C. 1382(c)(2)) is amended—

(A) by striking ''such benefit'' and inserting ''the cash benefit'';

(B) by inserting ''cash'' before ''benefits'' each place such term appears; and

(C) in subpargraph (B), by inserting ''cash'' before ''benefit''.

(4) Section 1611(c)(3) of such Act (42 U.S.C. 1382(c)(3)) is amended by inserting ''cash'' before ''benefits under this title''.

(5) Section 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is amended by inserting ''cash'' before ''benefit of''.

(6) Section 1614(a)(4) of such Act (42 U.S.C. 1382c(a)(4)) is amended by inserting ''or impairment'' after ''disability'' each place such term appears.

(7) Section 1614(f)(1) of such Act (42 U.S.C. 1382c(f)(1)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit under this title''.

(8) Section 1614(f)(2)(A) of such Act (42 U.S.C. 1382c(f)(2)(A)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit''.

(9) Section 1614(f)(3) of such Act (42 U.S.C. 1382c(f)(3)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit under this title''.

(10) Section 1616(e)(1) of such Act (42 U.S.C. 1382e(e)(1)) is amended by inserting ''cash'' before ''supplemental''.

(11) Section 1621(a) of such Act (42 U.S.C. 1382j(a)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit under this title''.

(12) Section 1631(a)(4) of such Act (42 U.S.C. 1383(a)(4)) is amended by inserting ''cash'' before ''benefits'' the 1st place such term appears in each of subparagraphs (A) and (B).

(13) Section 1631(a)(7)(A) of such Act (42 U.S.C. 1383(a)(7)(A)) is amended by inserting ''cash'' before ''benefits based''.

(14) Section 1631(a)(8)(A) of such Act (42 U.S.C. 1383(a)(8)(A)) is amended by striking ''benefits based on disability or blindness under this title'' and inserting ''benefits under this title (other than by reason of age)''.

(15) Section 1631(c) of such Act (42 U.S.C. 1383(c)) is amended—

(A) by striking ''payment'' each place such term appears and inserting ''benefits''; and

(B) by striking ''payments'' each place such term appears and inserting ''benefits''.

(16) Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(A) in paragraph (1)(B), by striking ''amounts of such benefits'' and inserting ''amounts of cash benefits under this title'';

(B) in paragraph (2), by inserting ''cash'' before ''benefits'' each place such term appears;

(C) by redesignating the 2nd paragraph (6) and paragraph (7) as paragraphs (7) and (8), respectively; and

(D) in paragraph (7) (as so redesignated), by inserting ''cash'' before ''benefits'' each place such term appears.

(17) Section 1631(g)(2) of such Act (42 U.S.C. 1383(g)(2)) is amended by striking ''supplemental security income'' and inserting ''cash''.

(18) Section 1635(a) of such Act (42 U.S.C. 1383d(a)) is amended by striking ''by reason of disability or blindness''.

(e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS FOR POOR DISABLED CHILDREN RESIDING IN STATES APPLYING ALTERNATIVE INCOME ELIGIBILITY STANDARDS UNDER MEDICAID.—

(1) IN GENERAL.—For the period beginning upon the 1st day of the 1st month that begins 90

or more days after the date of the enactment of this Act and ending upon the close of fiscal year 1996, an individual described in paragraph (2) shall be considered to be eligible for cash benefits under title XVI of the Social Security Act, by reason of disability notwithstanding that the individual does not meet any of the conditions described in section 1614(a)(3)(A)(ii)(III) of such Act.

(2) REQUIREMENTS.—For purposes of paragraph (1), an individual described in this paragraph is an individual who—

(A) has not attained 18 years of age;

(B) meets the conditions described in subclauses (I) and (II) of section 1614(a)(3)(A)(ii) of the Social Security Act;

(C) resides in a State that, pursuant to section 1902(f) of such Act, restricts eligibility for medical assistance under title XIX of such Act with respect to aged, blind, and disabled individuals; and

(D) is not eligible for medical assistance under the State plan under such title XIX.

(f) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.—Section

1611(e)(1)(B) of the Social Security Act (42 U.S.C. 1382(e)(1)(B)) is amended by inserting ''or under any health insurance policy issued by a private provider of such insurance'' after ''title XIX''.

(g) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a)(1), (c), (d) and (f), and section 1645(b)(2) of the Social Security Act (as added by the amendment made by subsection (b) of this section), shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) DELAYED APPLICABILITY TO CURRENT SSI RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The amendments made by subsection (a)(1) shall not apply, during the first 6 months that begin after the month in which this Act becomes law, to an individual who is a recipient of cash supplemental security income benefits under title XVI of the Social Security Act for the month in which this Act becomes law.

(h) REGULATIONS.—Within 3 months after the date of the enactment of this Act—

(1) the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by subsections (a)(1), (c), (d), and (f) and to implement subsection (e); and

(2) the Secretary of Health and Human Services shall prescribe such regulations as may be necessary to implement section 1645(b)(2) of the Social Security Act, as added by the amendment made by subsection (b) of this section.

SEC. 14603. EXAMINATION OF MENTAL LISTINGS USED TO DETERMINE ELIGIBILITY OF CHILDREN FOR SSI BENEFITS BY REASON OF DISABILITY.

Section 202(e)(2) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note) is amended—

(1) by striking ''and'' at the end of subparagraph (F); and

(2) by redesignating subparagraph (G) as subparagraph (H) and inserting after subparagraph (F) the following:

''(G) whether the criteria in the mental disorders listings in the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, are appropriate to

ensure that eligibility of individuals who have not attained 18 years of age for cash benefits under the supplemental security income program by reason of disability is limited to those who have serious disabilities and for whom such benefits are necessary to improve their condition or quality of life; and''.

SEC. 14604. LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM UNDER PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.

Section 1108 of the Social Security Act (42 U.S.C. 1308), as amended by section 14104(e)(1) of this Act, is amended by inserting before ''The total'' the following:

''(a) PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.—The total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI (as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972)—

''(1) for payment to Puerto Rico shall not exceed $18,053,940;

''(2) for payment to the Virgin Islands shall not exceed $473,659; and

''(3) for payment to Guam shall not exceed $900,718.

''(b) MEDICAID PROGRAMS.—''.

SEC. 14605. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is hereby repealed.

SEC. 14606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended by adding at the end the following:

''(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, the consolidated program of food assistance under chapter 2 of subtitle E of title XIV of the Personal Responsibility Act of 1995, or the Food

Stamp Act of 1977 (as in effect before the effective date of such chapter), or benefits in 2 or more States under the supplemental security income program under title XVI.''.

SEC. 14607. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(e)), as amended by section 14601(b)(1) of this Act, is amended by inserting after paragraph (2) the following:

''(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if, throughout the month, the person is—

''(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(B) violating a condition of probation or parole imposed under Federal or State law.''.

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

''(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

''(A) the recipient—

''(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

''(ii) is violating a condition of probation or parole imposed under Federal or State law; or

''(iii) has information that is necessary for the officer to conduct the officer's official duties;

''(B) the location or apprehension of the recipient is within the official duties of the officer; and

''(C) the request is made in the proper exercise of such duties.''.

SEC. 14608. REAPPLICATION REQUIREMENTS FOR ADULTS RECEIVING SSI BENEFITS BY REASON OF DISABILITY.

(a) IN GENERAL.—Section 1614(a)(3)(G) of the Social Security Act (42 U.S.C. 1382c(a)(3)(G)), as amended by section 14602(c)(2) of this Act, is amended by adding at the end the following clause:

''(iv) In the case of an individual who has attained 18 years of age and for whom a determination has been made of eligibility for a benefit under this title by reason of disability, the following applies:

''(I) Subject to the provisions of this clause, the determination of eligibility is effective for the 3-year period beginning on the date of the determination, and the eligibility of the individual lapses unless a determination of continuing eligibility is made before the end of such period, and before the end of each subsequent 3-year period. This subclause ceases to apply to the individual upon the individual attaining 65 years of age. This subclause does not apply to the individual if the individual has an impairment

that is not expected to improve (or a combination of impairments that are not expected to improve).

''(II) With respect to a determination under subclause (I) of whether the individual continues to be eligible for the benefit (in this clause referred to as a 'redetermination'), the Commissioner may not make the redetermination unless the individual submits to the Commissioner an application requesting the redetermination. If such an application is submitted, the Commissioner shall make the redetermination. This subclause is subject to subclause (V).

''(III) If as of the date on which this clause takes effect the individual has been receiving the benefit for three years or less, the first period under subclause (I) for the individual is deemed to end on the expiration of the period beginning on the date on which this clause takes effect and continuing through a number of months equal to 12 plus a number equal to 36 minus the number of months the individual has been receiving the benefit.

''(IV) If as of the date on which this clause takes effect the individual has been receiving the benefit for five years or less, but for more than three years, the first period under subclause (I) for the individual is deemed to end on the expiration of the

1-year period beginning on the date on which this clause takes effect.

''(V) If as of the date on which this clause takes effect the individual has been receiving the benefit for more than five years, the Commissioner shall make redeterminations under subclause (I) and may not require the individual to submit applications for the redeterminations. The first 3-year period under subclause (I) for the individual is deemed to begin upon the expiration of the period beginning on the date on which this clause takes effect and ending upon the termination of a number of years equal to the lowest number (greater than zero) that can be obtained by subtracting the number of years that the individual has been receiving the benefit from a number that is a multiple of three.

''(VI) If the individual first attains 18 years of age on or after the date on which this clause takes effect, the first 3-year period under subclause (I) for the individual is deemed to end on the date on which the individual attains such age.

''(VII) Not later than one year prior to the date on which a determination under subclause (I) expires, the Commissioner shall (except in the case of an individual to whom subclause (V) applies) provide

to the individual a written notice explaining the applicability of this clause to the individual, including an explanation of the effect of failing to submit the application. If the individual submits the application not later than 180 days prior to such date and the Commissioner does not make the redetermination before such date, the Commissioner shall continue to provide the benefit pending the redetermination and shall publish in the Federal Register a notice that the Commissioner was unable to make the redetermination by such date.

''(VIII) If the individual fails to submit the application under subclause (II) by the end of the applicable period under subclause (I), the individual may apply for a redetermination. The Commissioner shall make the redetermination for the individual only after making redeterminations for individuals for whom eligibility has not lapsed pursuant to subclause (I).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect upon the expiration of the 9-month period beginning on the date of the enactment of this Act.

(c) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements

Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

SEC. 14609. STRIKING OF RESTRICTIONS REGARDING DETERMINATION OF INELIGIBILITY.

Section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended by striking paragraph (4).

SEC. 14610. NARROWING OF SSI ELIGIBILITY ON BASIS OF MENTAL IMPAIRMENTS.

(a) IN GENERAL.—Section 1614(a)(3)(A)(i) of the Social Security Act (42 U.S.C. 1382c(a)), as designated by section 14602(a)(1)(A) of this Act, is amended by adding at the end the following sentence: ''In making determinations under this clause regarding the severity of mental impairments, the Secretary shall revise the regulations under subpart P of part 404 of title 20, Code of Federal Regulations, to accomplish the result that (relative to such regulations as in effect prior to the date on which this sentence takes effect) less weight is given to criteria regarding concentration, persistence (and pace), and ability to tolerate increased mental demand associated with competitive work, and that, accordingly, the eligibility criteria regarding mental impairments are narrowed.''.

(b) FINAL REGULATIONS.—The final rule for the regulations required in subsection (a) shall be issued before the expiration of the 9-month period beginning on the

date of the enactment of this Act,and shall take effect upon the expiration of such period.

Subtitle G—Child Support

SEC. 14700. REFERENCES.

Except as otherwise specifically provided, wherever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

SEC. 14701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

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

''(4) provide that the State will—

''(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

''(i) each child for whom cash assistance is provided under the State program

funded under part A of this title, benefits or services are provided under the State program funded under part B of this title, or medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (28)) that it is against the best interests of the child to do so; and

''(ii) any other child, if an individual applies for such services with respect to the child; and

''(B) enforce any support obligation established with respect to—

''(i) a child with respect to whom the State provides services under the plan; or

''(ii) the custodial parent of such a child.''; and

(2) in paragraph (6)—

(A) by striking ''provide that'' and inserting ''provide that—'';

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

''(A) services under the plan shall be made available to nonresidents on the same terms as to residents;'';

(C) in subparagraph (B), by inserting ''on individuals not receiving assistance under any State program funded under part A'' after ''such services shall be imposed'';

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking ''454(6)'' and inserting ''454(4)''.

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking ''454(6)'' each place it appears and inserting ''454(4)(A)(ii)''.

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''in the case of overdue support which a State has agreed to collect under section 454(6)'' and inserting ''in any other case''.

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking ''paragraph (4) or (6) of section 454'' and inserting ''section 454(4)''.

SEC. 14702. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

''SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

''(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING CASH ASSISTANCE.—In the case of a family receiving cash assistance from the State, the State shall—

''(A) retain, or distribute to the family, the State share of the amount so collected; and

''(B) pay to the Federal Government the Federal share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED CASH ASSISTANCE.—In the case of a family that formerly received cash assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR AFTER THE FAMILY RECEIVED CASH ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrears with respect to the family that accrued before or after the family received cash assistance from the State.

"(ii) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO

THE FAMILY.—To the extent that clause (i) does not apply to the amount, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share of the amount so collected, to the extent necessary to reimburse amounts paid to the family as cash assistance from the State.

''(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to the amount so collected, the State shall distribute the amount to the family.

''(3) FAMILIES THAT NEVER RECEIVED CASH ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

''(b) DEFINITIONS.—As used in subsection (a):

''(1) CASH ASSISTANCE.—The term 'cash assistance from the State' means—

''(A) cash assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

"(B) cash benefits under the State program funded under part B or under the State plan approved under part B or E of this title (as in effect before October 1, 1995).

"(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

"(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

''(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

''(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal reimbursement percentage' means, with respect to a fiscal year—

''(A) the total amount paid to the State under section 403 for the fiscal year; divided by

''(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

''(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

''(c) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—When a family with respect to which services are provided under a State plan approved under this part ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under section 454, except that an application or other request to continue services

shall not be required of such a family and section 454(6)(B) shall not apply to the family.''.

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING CASH ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

SEC. 14703. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking ''and'' at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting ''; and''; and

(3) by adding after paragraph (24) the following:

''(25) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

''(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

''(B) prohibitions against the release of information on the whereabouts of one party to another party against whom a protective order with respect to the former party has been entered; and

''(C) prohibitions against the release of information on the whereabouts of one party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

CHAPTER 2—LOCATE AND CASE TRACKING

SEC. 14711. STATE CASE REGISTRY.

Section 454A, as added by section 14745(a)(2) of this Act, is amended by adding at the end the following:

''(e) STATE CASE REGISTRY.—

''(1) CONTENTS.—The automated system required by this section shall include a registry (which

shall be known as the 'State case registry') that contains records with respect to—

''(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

''(B) each support order established or modified in the State on or after October 1, 1998.

''(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

''(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

''(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support

order has been established shall include a record of—

''(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrears, interest or late payment penalties, and fees) due or overdue under the order;

''(B) any amount described in subparagraph (A) that has been collected;

''(C) the distribution of such collected amounts;

''(D) the birth date of any child for whom the order requires the provision of support; and

''(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

''(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

''(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

''(B) information obtained from comparison with Federal, State, or local sources of information;

''(C) information on support collections and distributions; and

''(D) any other relevant information.

''(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

''(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under

section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

''(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

''(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

''(4) INTRA- AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.''.

SEC. 14712. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 14703(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting ''; and''; and

(3) by adding after paragraph (25) the following:

''(26) provide that, on and after October 1, 1998, the State agency will—

''(A) operate a State disbursement unit in accordance with section 454B; and

''(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

''(i) monitor and enforce support collections through the unit (including carrying out the automated data processing responsibilities described in section 454A(g)); and

''(ii) take the actions described in section 466(c)(1) in appropriate cases.''.

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 14745(a)(2) of this Act, is amended by inserting after section 454A the following:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

''(a) STATE DISBURSEMENT UNIT.—

''(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

''(2) OPERATION.—The State disbursement unit shall be operated—

''(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

''(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section. The Secretary must agree that the system will not cost more nor take more time to establish than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support

payments under an order requiring payments to be made by or to the parent.

''(c) TIMING OF DISBURSEMENTS.—The State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

''(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.''.

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 14745(a)(2) of this Act and as amended by section 14711 of this Act, is amended by adding at the end the following:

''(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

''(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

''(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

''(i) within 2 business days after receipt (from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State) of notice of, and the income source subject to, such withholding; and

''(ii) using uniform formats prescribed by the Secretary;

''(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

''(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) where payments are not timely made.

''(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 14713. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 14703(a) and 14712(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting ''; and''; and

(3) by adding after paragraph (26) the following:

''(27) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.''.

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following:

''SEC. 453A. STATE DIRECTORY OF NEW HIRES.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers and labor organizations on each newly hired employee.

''(2) DEFINITIONS.—As used in this section:

''(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) GOVERNMENTAL EMPLOYERS.—The term 'employer' includes any governmental entity.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer who has employees who are employed in 2 or more States may comply with subparagraph (A) by transmitting the report described in subparagraph (A) magnetically or electronically to the State in which the greatest number of employees of the employer are employed.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) the date the employee first receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or the equivalent, and may be transmitted by first class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1997, an agency designated by the State shall, directly or by contract, conduct automated compari-

sons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

''(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

''(f) TRANSMISSION OF INFORMATION.—

''(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer

to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

''(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

''(A) NEW HIRE INFORMATION.—Within 4 business days after the State Directory of New Hires receives information from employers pursuant to this section, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

''(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

''(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

''(g) OTHER USES OF NEW HIRE INFORMATION.—

''(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (e)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

''(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

''(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.''.

SEC. 14714. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

''(1) INCOME WITHHOLDING.—

''(A) UNDER ORDERS ENFORCED UNDER THE STATE PLAN.—Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

''(B) UNDER CERTAIN ORDERS PREDATING CHANGE IN REQUIREMENT.—Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 466(a)(8)(B)(iii) (42 U.S.C. 666(a)(8)(B)(iii)) is amended—

(i) by striking ''(5),''; and

(ii) by inserting ‘‘, and, at the option of the State, the requirements of subsection (b)(5)’’ before the period.

(B) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking ‘‘subsection (a)(1)’’ and inserting ‘‘subsection (a)(1)(A)’’.

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows ‘‘administered by’’ and inserting ‘‘the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.’’.

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking ‘‘to the appropriate agency’’ and all that follows and inserting ‘‘to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.’’;

(ii) in clause (ii), by inserting ''be in a standard format prescribed by the Secretary, and'' after ''shall''; and

(iii) by adding at the end the following:

''(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.''.

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking ''any employer'' and all that follows and inserting the following:

''any employer who—

''(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which is imposes upon the employer; or

''(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.''.

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following:

''(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.''.

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 14715. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following:

''(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.''.

SEC. 14716. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows ''subsection (c))'' and inserting '', for the purpose of establishing parentage, establishing, setting the

amount of, modifying, or enforcing child support obligations—

''(1) information on, or facilitating the discovery of, the location of any individual—

''(A) who is under an obligation to pay child support;

''(B) against whom such an obligation is sought; or

''(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer; and

''(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage).''; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking ''social security'' and all that follows through ''absent parent'' and inserting ''information described in subsection (a)''.

(b) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting ''in an amount which the Secretary determines to be rea-

sonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)'' before the period.

(c) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following:

''(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).''.

(d) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting ''Federal'' before ''Parent'' each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding ''FEDERAL'' before ''PARENT''.

(e) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c) of this section, is amended by adding at the end the following:

''(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

''(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

''(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification

numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

''(i) NATIONAL DIRECTORY OF NEW HIRES.—

''(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(f)(2).

''(2) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the Federal Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in

the support order abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

''(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

''(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

''(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reim-

burse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

''(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

''(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

''(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

''(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

''(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.''.

(f) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

''(B) the Federal Parent Locator Service established under section 453;''.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''Secretary of Health, Education, and Welfare'' each place such term appears and inserting ''Secretary of Health and Human Services'';

(B) in subparagraph (B), by striking ''such information'' and all that follows and inserting ''information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;'';

(C) by striking ''and'' at the end of subparagraph (A);

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

(E) by inserting after subparagraph (A) the following new subparagraph:

''(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and''.

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking ''and'' at the end of paragraph (8);

(B) by striking ''and'' at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(D) by adding after paragraph (10) the following:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 14717. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 14715 of this Act, is amended by adding at the end the following:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

''(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.''.

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking ''may require'' and inserting ''shall require'';

(2) in clause (ii), by inserting after the 1st sentence the following: ''In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof) or any State agency having administrative responsibility for the law involved, the social security number of the party.'';

(3) in clause (vi), by striking ''may'' and inserting ''shall''; and

(4) by adding at the end the following:

''(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in

a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

''(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgment in the records relating to the matter.''.

CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

SEC. 14721. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following:

''(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

''(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

''(2) EXPANDED APPLICATION.—The State law enacted pursuant to paragraph (1) shall be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

''(3) JURISDICTION TO MODIFY ORDERS.—The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

'' '(1) the following requirements are met:

'' '(i) the child, the individual obligee, and the obligor—

'' '(I) do not reside in the issuing State; and

''(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

''(ii) (in any case where another State is exercising or seeks to exercise jurisdiction to modify the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

''(4) SERVICE OF PROCESS.—The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.''.

SEC. 14722. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking ''subsection (e)'' and inserting ''subsections (e), (f), and (i)'';

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

''child's home State' means the State in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately

preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month period.'';

(3) in subsection (c), by inserting ''by a court of a State'' before ''is made'';

(4) in subsection (c)(1), by inserting ''and subsections (e), (f), and (g)'' after ''located'';

(5) in subsection (d)—

(A) by inserting ''individual'' before ''contestant''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(6) in subsection (e), by striking ''make a modification of a child support order with respect to a child that is made'' and inserting ''modify a child support order issued'';

(7) in subsection (e)(1), by inserting ''pursuant to subsection (i)'' before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting ''individual'' before ''contestant'' each place such term appears; and

(B) by striking ''to that court's making the modification and assuming'' and inserting ''with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume'';

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following:

''(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If one or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

''(1) If only one court has issued a child support order, the order of that court must be recognized.

''(2) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

''(3) If two or more courts have issued child support orders for the same obligor and child, and

only one of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

''(4) If two or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

''(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.'';

(11) in subsection (g) (as so redesignated)—

(A) by striking ''PRIOR'' and inserting ''MODIFIED''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting ''including the duration of current payments and other obligations of support'' before the comma; and

(B) in paragraph (3), by inserting ''arrears under'' after ''enforce''; and

(13) by adding at the end the following:

''(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.''.

SEC. 14723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 14715 and 14717(a) of this Act, is amended by adding at the end the following:

''(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

''(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

''(ii) the term 'business day' means a day on which State offices are open for regular business;

''(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

''(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

''(ii) shall constitute a certification by the requesting State—

''(I) of the amount of support under the order the payment of which is in arrears; and

''(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

''(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

''(D) the State shall maintain records of—

''(i) the number of such requests for assistance received by the State;

''(ii) the number of cases for which the State collected support in response to such a request; and

''(iii) the amount of such collected support.''.

SEC. 14724. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking ''and'' at the end of parargraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following:

''(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

''(A) collection of child support through income withholding;

''(B) imposition of liens; and

''(C) administrative subpoenas.''.

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking ''and'' at the end of subparagraph (C);

(2) by inserting ''and'' at the end of subparagraph (D); and

(3) by adding at the end the following:

''(E) no later than October 1, 1996, in using the forms promulgated pursuant to sec-

tion 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;''.

SEC. 14725. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 14714 of this Act, is amended—

(1) in subsection (a)(2), by strking the 1st sentence and inserting the following: ''Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations.''; and

(2) by inserting after subsection (b) the following:

''(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

''(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate)

requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), and to recognize and enforce the authority of State agencies of other States) to take the following actions:

''(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

''(B) DEFAULT ORDERS.—To enter a default order, upon a showing of service of process and any additional showing required by State law—

''(i) establishing paternity, in the case of a putative father who refuses to submit to genetic testing; and

''(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

''(C) SUBPOENAS.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to

impose penalties for failure to respond to such a subpoena.

''(D) ACCESS TO PERSONAL AND FINANCIAL INFORMATION.—To obtain access, subject to safeguards on privacy and information security, to the records of all other State and local government agencies (including law enforcement and corrections records), including automated access to records maintained in automated data bases.

''(E) CHANGE IN PAYEE.—In cases where support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

''(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

''(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

''(i) intercepting or seizing periodic or lump sum payments from—

''(I) a State or local agency (including unemployment compensation, workers' compensation, and other benefits); and

''(II) judgments, settlements, and lotteries;

''(ii) attaching and seizing assets of the obligor held in financial institutions; and

''(iii) attaching public and private retirement funds.

''(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or limitations as the State may provide).

''(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

''(B) STATEWIDE JURISDICTION.—Procedures under which—

''(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

''(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between administrative areas in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.''.

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 745(a)(2) of this Act and as amended by sections 14711 and 14712(c) of this Act, is amended by adding at the end the following:

''(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).''.

CHAPTER 4—PATERNITY ESTABLISHMENT

SEC. 14731. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

''(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

''(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

''(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

''(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

''(B) PROCEDURES CONCERNING GENETIC TESTING.—

''(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a

contested paternity case, to require the child and all other parties (other than individuals found under section 454(28) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

''(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

''(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

''(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

''(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the pe-

riod immediately before or after the birth of a child.

''(iii) PATERNITY ESTABLISHMENT SERVICES.—

''(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

''(II) REGULATIONS.—

''(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

''(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services,

and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

''(iv) USE OF FEDERAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State and those required to establish paternity to use only the affidavit developed under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) LEGAL FINDING OF PATERNITY.—Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(iii) RESCISSION.—Procedures under which, after the 60-day period referred to in clause (i), a minor who has signed an acknowledgment of paternity other than in the presence of a parent or court-appointed

guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

''(I) attaining the age of majority; or

''(II) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent or guardian ad litem, or an attorney.

''(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

''(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

''(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

''(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

''(II) performed by a laboratory approved by such an accreditation body;

''(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

''(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

''(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evi-

dence of amounts incurred for such services or for testing on behalf of the child.

''(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

''(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.''.

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting '', and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent'' before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking ''a simple civil process for voluntarily acknowledging paternity and''.

SEC. 14732. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting ''and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate'' before the semicolon.

SEC. 14733. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 14703(a), 14712(a), and 14713(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting ''; and''; and

(3) by inserting after paragraph (27) the following:

''(28) provide that the State agency responsible for administering the State plan—

''(A) shall require each individual who has applied for or is receiving assistance under the State program funded under part A to cooperate with the State in establishing the paternity of, and in establishing, modifying, or enforcing

a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the father of the child, subject to such good cause and other exceptions as the State may establish; and

''(B) may require the individual and the child to submit to genetic tests.''.

CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

SEC. 14741. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

''(2) The percent specified in this paragraph for any quarter is 66 percent.''.

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking ''From'' and inserting ''Subject to subsection (c), from''; and

(2) by inserting after subsection (b) the following:

''(c) MAINTENANCE OF EFFORT.—Notwithstanding subsection (a), the total expenditures under the State plan

approved under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified in paragraph (2) for the fiscal year shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.''.

SEC. 14742. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.

''(a) INCENTIVE ADJUSTMENTS.—

''(1) IN GENERAL.—Beginning with fiscal year 1999, the Secretary shall increase the percent specified in section 455(a)(2) that applies to payments to a State under section 455(a)(1)(A) for each quarter in a fiscal year by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to the paternity establishment percentage of the State for the immediately preceding fiscal year and with respect to overall performance of the State in child support enforcement during such preceding fiscal year.

''(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which a State must attain to qualify for an incentive adjustment under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to a State that achieves specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 12 percentage points, in connection with paternity establishment; and

"(II) 12 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by

the Secretary in estimates of the cost of this section as of June 1994, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

''(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of the incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

''(4) RECYCLING OF INCENTIVE ADJUSTMENT.—A State to which funds are paid by the Federal Government as a result of an incentive adjustment under this section shall expend the funds in the State program under this part within 2 years after the date of the payment.

''(b) DEFINITIONS.—As used in this section:

''(1) PATERNITY ESTABLISHMENT PERCENTAGE.—The term 'paternity establishment percentage' means, with respect to a State and a fiscal year—

''(A) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

''(B) the total number of children born out of wedlock in the State during the fiscal year.

''(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

''(A) the percentage of cases requiring a support order in which such an order was established;

''(B) the percentage of cases in which child support is being paid;

''(C) the ratio of child support collected to child support due; and

''(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations (after consultation with the States).''.

(b) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking ''incentive payments'' the 1st place such term appears and inserting ''incentive adjustments''; and

(2) by striking ''any such incentive payments made to the State for such period'' and inserting ''any increases in Federal payments to the State resulting from such incentive adjustments''.

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting ''its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and'' after ''1994,''; and

(B) in each of subparagraphs (A) and (B), by striking ''75'' and inserting ''90''.

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking ''paternity establishment percentage'' and inserting ''IV–D paternity establishment percentage''; and

(B) by striking ''(or all States, as the case may be)''.

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking ''the percentage of children born out-of-wedlock in a State'' and inserting ''the percentage of children in a State who are born out of wedlock or for whom support has not been established''; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting ''and overall performance in child support enforcement'' after ''paternity establishment percentages''; and

(ii) by inserting ''and securing support'' before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—(A) The amendments made by subsections (a) and (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

SEC. 14743. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking ''(14)'' and inserting ''(14)(A)'';

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following:

''(15) provide for—

''(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under

this part, which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

''(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.''.

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

''(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

''(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

''(C) conduct audits, in accordance with the government auditing standards of the Comptroller General of the United States—

''(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

''(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

''(I) whether Federal and other funds made available to carry out the State program are being appropriately expended,

and are properly and fully accounted for; and

''(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

''(iii) for such other purposes as the Secretary may find necessary;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this section.

SEC. 14744. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting '', and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures'' before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 14703(a), 14712(a), 14713(a), and 14733 of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting ''; and''; and

(3) by adding after paragraph (28) the following:

''(29) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.''.

SEC. 14745. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking '', at the option of the State,'';

(B) by inserting ''and operation by the State agency'' after ''for the establishment'';

(C) by inserting ''meeting the requirements of section 454A'' after ''information retrieval system'';

(D) by striking ''in the State and localities thereof, so as (A)'' and inserting ''so as'';

(E) by striking ''(i)''; and

(F) by striking ''(including'' and all that follows and inserting a semicolon.

(2) Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following:

"SEC. 454A. AUTOMATED DATA PROCESSING.

''(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

''(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

''(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

''(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

''(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the

incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

''(1) use the automated system—

''(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

''(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

''(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

''(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

''(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency

personnel, and sharing of data with other persons, which—

''(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

''(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

''(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

''(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

''(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 14703(a)(2) and 14712(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1995, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility Act of 1995, except that such deadline shall be extended by 1 day for each day (if

any) by which the Secretary fails to meet the deadline imposed by section 14745(a)(3) of the Personal Responsibility Act of 1995.''.

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking ''90 percent'' and inserting ''the percent specified in paragraph (3)'';

(ii) by striking ''so much of''; and

(iii) by striking ''which the Secretary'' and all that follows and inserting '', and''; and

(B) by adding at the end the following:

''(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16).

''(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Sec-

retary finds are for a system meeting the requirements of sections 454(16) and 454A.

''(ii) The percentage specified in this clause is the greater of—

''(I) 80 percent; or

''(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).''.

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount spec-

ified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 14746. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

''(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary

as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

''(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

''(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.''.

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 14716(e) of this Act, is amended by adding at the end the following:

''(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the

end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.''.

SEC. 14747. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking ''this part;'' and inserting ''this part, including—''; and

(B) by adding at the end the following:

''(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

''(ii) the cost to the States and to the Federal Government of so furnishing the services; and

''(iii) the number of cases involving families—

''(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

''(II) with respect to whom a child support payment was received in the month;''.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking ''with the data required under each clause being separately stated for cases'' and inserting ''separately stated for (1) cases'';

(ii) by striking ''cases where the child was formerly receiving'' and inserting ''or formerly received'';

(iii) by inserting ''or 1912'' after ''471(a)(17)''; and

(iv) by inserting ''(2)'' before ''all other'';

(B) in each of clauses (i) and (ii), by striking '', and the total amount of such obligations'';

(C) in clause (iii), by striking ''described in'' and all that follows and inserting ''in which support was collected during the fiscal year;'';

(D) by striking clause (iv);

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following:

''(iv) the total amount of support collected during such fiscal year and distributed as current support;

''(v) the total amount of support collected during such fiscal year and distributed as arrearages;

''(vi) the total amount of support due and unpaid for all fiscal years; and''.

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking ''on the use of Federal courts and''.

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

SEC. 14751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

''(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS.—Procedures under which the State shall review and adjust each support order being enforced under this part. Such procedures shall provide the following:

''(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

''(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

''(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

''(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

''(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

''(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

''(D) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accord-

ance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

''(E) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to subparagraph (D). The notice may be included in the order.''.

SEC. 14752. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following:

''(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

''(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

''(B) the person has provided at least 10 days prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested, and

''(C) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

''(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.''.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

SEC. 14761. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—

(1) Subsection (c) of section 6402 of the Internal Revenue Code of 1986 is amended by striking the third sentence and inserting the following new sentences: ''A reduction under this subsection shall be after any other reduction allowed by subsection

(d) with respect to the Department of Health and Human Services and the Department of Education with respect to a student loan and before any other reduction allowed by law and before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b). A reduction under this subsection shall be assigned to the State with respect to past-due support owed to individuals for periods such individuals were receiving assistance under part A or B of title IV of the Social Security Act only after satisfying all other past-due support.''.

(2) Paragraph (2) of section 6402(d) of such Code is amended—

(A) by striking ''Any overpayment'' and inserting ''Except in the case of past-due legally enforceable debts owed to the Department of Health and Human Services or to the Department of Education with respect to a student loan, any overpayment''; and

(B) by striking ''with respect to past-due support collected pursuant to an assignment under section 402(a)(26) of the Social Security Act''.

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking ''(a)'' and inserting ''(a) OFFSET AUTHORIZED.—'';

(B) in paragraph (1)—

(i) in the 1st sentence, by striking ''which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)''; and

(ii) in the 2nd sentence, by striking ''in accordance with section 457(b)(4) or (d)(3)'' and inserting ''as provided in paragraph (2)'';

(C) by striking paragraph (2) and inserting the following:

''(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

''(A) in accordance with section 457(a), in the case of past-due support assigned to a State pursuant to requirements imposed pursuant to section 405(a)(8); and

''(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.''; and

(D) in paragraph (3)—

(i) by striking ''or (2)'' each place such term appears; and

(ii) in subparagraph (B), by striking ''under paragraph (2)'' and inserting ''on account of past-due support described in paragraph (2)(B)''.

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking ''(b)(1)'' and inserting the following:

''(b) REGULATIONS.—''; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking ''(c)(1) Except as provided in paragraph (2), as'' and inserting the following:

''(c) DEFINITION.—As''; and

(B) by striking paragraphs (2) and (3).

SEC. 14762. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

''(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this

part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

''(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

''(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

''(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

''(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

''(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

''(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

''(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

''(h) MONEYS SUBJECT TO PROCESS.—

''(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

''(A) consist of—

''(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

''(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

''(I) under the insurance system established by title II;

''(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

''(III) as compensation for death under any Federal program;

''(IV) under any Federal program established to provide 'black lung' benefits; or

''(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

''(iii) worker's compensation benefits paid under Federal or State law but

''(B) do not include any payment—

''(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

''(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

''(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

''(A) are owed by the individual to the United States;

''(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

''(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

''(D) are deducted as health insurance premiums;

''(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

''(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

''(i) DEFINITIONS.—As used in this section:

''(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United

States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

''(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

''(3) ALIMONY.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to

and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

''(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

''(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

''(A) which is issued by—

''(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

''(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

''(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

''(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.''.

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking ''sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)'' and inserting ''sec-

tion 459 of the Social Security Act (42 U.S.C. 659)''.

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding after subparagraph (C) the following:

''(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.''.

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting ''or a court order for the payment of child support not

included in or accompanied by such a decree or settlement,'' before ''which—''.

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting ''(OR FOR BENEFIT OF)'' before ''SPOUSE OR''; and

(B) in paragraph (1), in the first sentence, by inserting ''(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)'' before ''in an amount sufficient''.

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following:

''(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not

apply, and the case shall be subject to the provisions of section 459 of such Act.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 14763. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the loca-

tor service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term ''court'' has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term ''child support'' has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 14762(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following:

''(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section

be recent in relation to the date of receipt by the Secretary.''.

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following: ''In the case of a spouse or former spouse who, pursuant to section 405(a)(8) of the Social Security Act (42 U.S.C. 605(a)(8)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.''.

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following:

''(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child

support arrearages set forth in that order as well as to amounts of child support that currently become due.''.

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the first pay period that begins after such 30-day period.

SEC. 14764. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 14721 of this Act, is amended by adding at the end the following:

''(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

''(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

''(B) the Uniform Fraudulent Transfer Act of 1984; or

''(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

''(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

''(A) seek to void such transfer; or

''(B) obtain a settlement in the best interests of the child support creditor.''.

SEC. 14765. SENSE OF THE CONGRESS THAT STATES SHOULD SUSPEND DRIVERS', BUSINESS, AND OCCUPATIONAL LICENSES OF PERSONS OWING PAST-DUE CHILD SUPPORT.

It is the sense of the Congress that each State should suspend any driver's license, business license, or occupational license issued to any person who owes past-due child support.

SEC. 14766. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 14701(a), 14715, 14717(a), and 14723 of this Act, is amended by adding at the end the following:

''(16) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

''(A) Procedures requiring the State, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

''(i) pay such support in accordance with a plan approved by the court; or

''(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 404(b)(1)) as the court deems appropriate.

''(B) As used in subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.''.

SEC. 14767. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 14716 and 14746(b) of this Act, is amended by adding at the end the following:

''(o) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means an order issued by a court or an administrative process established under State law that requires support and maintenance of a child or of a child and the parent with whom the child is living.''.

SEC. 14768. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

''(4) Procedures under which—

''(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

''(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.''.

SEC. 14769. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 14715, 14717(a), and 14723 of this Act, is amended by adding at the end the following:

''(15) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has

(and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.''.

CHAPTER 8—MEDICAL SUPPORT

SEC. 14771. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking ''issued by a court of competent jurisdiction'';

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

''if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

SEC. 14781. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

''(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

''(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

''(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

''(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

''(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

''(2) shall not be required to operate such programs on a statewide basis; and

''(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.''.

CHAPTER 10—EFFECT OF ENACTMENT

SEC. 14791. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this subtitle requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this subtitle shall become effective upon enactment.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this subtitle shall become effective with respect to a State on the later of—

(1) the date specified in this subtitle, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this subtitle if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this subtitle.

CHAPTER 11—MISCELLANEOUS PROVISIONS

SEC. 14801. SCORING.

Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

''(H) SPECIAL ALLOWANCE FOR WELFARE REFORM.—For any fiscal year, the adjustments shall be appropriations for discretionary programs resulting from the Personal Responsibility Act of 1995 (as described in the joint explanatory statement accompanying a conference report on that Act) in discretionary accounts and the outlays flowing in all years from such appropriations (but not to exceed amounts authorized for those programs by that Act for that fiscal year) minus appropriations for comparable discretionary programs for fiscal year 1995 (as described in the joint explanatory statement accompanying a conference report on that Act.''.

SEC. 14802. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking ''(d) In the event'' and inserting ''(d) APPLICABILITY TO SERVICE PROVIDERS

OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

''(1) IN GENERAL.—In the event''; and

(2) by adding at the end the following new paragraph:

''(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

''(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

''(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

''(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

''(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

''(ii) otherwise superseding the application of any State or local law.

''(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

''(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

''(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.''.

TITLE XV—VETERANS' BENEFITS AND SERVICES

Subtitle A—Administrative Reforms

SEC. 15001. REDUCTION IN OVERHEAD EXPENSES OF DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—The amount obligated by the Department of Veterans Affairs during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $424,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

Subtitle B—Extension of Certain Veterans Programs

SEC. 15011. PERMANENT EXTENSION OF AUTHORITY FOR COPAYMENT CHARGE FOR MEDICATIONS.

Section 1722A of title 38, United States Code, is amended by striking subsection (c).

SEC. 15012. PERMANENT EXTENSION OF AUTHORITY FOR MEDICAL CARE COST RECOVERY.

Section 1729(a)(2)(E) of title 38, United States Code, is amended by striking ''before October 1, 1998,''.

SEC. 15013. PERMANENT EXTENSION OF AUTHORITY FOR INCOME VERIFICATION PROCEDURES.

Section 5317 of title 38, United States Code, is amended by striking subsection (g).

SEC. 15014. PERMANENT EXTENSION OF AUTHORITY FOR PROCEDURES APPLICABLE TO LIQUIDATION SALES ON DEFAULTED HOME LOANS.

Section 3732(c) of title 38, United States Code, is amended by striking paragraph (11).

Subtitle C—Home Loan Guarantee Program Reforms

SEC. 15021. RESTRICTION ON USE OF MULTIPLE VA HOUSING LOAN GUARANTY BENEFITS.

(a) REPEAL OF CIRCUMSTANCES EXCLUDED FROM COMPUTATION OF AGGREGATE AMOUNT OF GUARANTY AVAILABLE.—Section 3702 of title 38, United States Code, is amended by striking out subsection (b).

(b) CONFORMING AMENDMENTS.—(1) Section 3703(a)(1)(B) of such title is amended by striking out ''and not restored as a result of the exclusion in section 3702(b) of this title''.

(2) Section 3710(e)(2) of such title is amended by striking out the last sentence thereof.

(3) Section 3712 of such title is amended—

(A) in subsection (a), by striking out the last sentence of paragraphs (4)(B) and (5)(B); and

(B) in subsection (b)—

(i) by striking out ''(1)'' after ''(b)'' and inserting in lieu thereof ''(b)''; and

(ii) by striking out paragraph (2).

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) applies with respect to loans guaranteed, insured, or made after September 30, 1996.

SEC. 15022. EXTENSIONS OF CERTAIN AUTHORITIES RELATING TO HOUSING LOANS.

(a) LOAN ORIGINATION FEE.—Paragraph (4) of section 3729(a) of such title is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 2000''.

(b) MULTIPLE HOME LOAN FEES.—Paragraph (5)(C) of such section is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 2000''.

Subtitle D—Medical Program Reforms

SEC. 15031. MORE EFFICIENT MANAGEMENT AND DELIVERY OF VETERANS HEALTH CARE.

(a) REQUIRED SAVINGS.—The Secretary of Veterans Affairs shall manage the medical care system of the Department of Veterans Affairs so as to achieve savings of $3,200,000,000 by the end of fiscal year 2000 compared to the costs of that system through that fiscal year assumed in the Budget of the President for fiscal year 1995.

(b) PROSPECTIVE PAYMENT SYSTEM.—In order to achieve the savings required by subsection (a), the Secretary shall establish a system known as a Prospective Payment System for the allocation of resources for hospital care within the Department of Veterans Affairs. In establishing such a system, the Secretary shall consult with the Secretary of Health and Human Services and

shall establish Diagnosis-Related Groups (DRGs) to reflect the average cost of efficient care for different groups of patients.

(c) ADMINISTRATIVE FLEXIBILITY.—In order to implement the system required by subsection (b) and to achieve the savings required by subsection (a), the Secretary shall have discretion to control the nature and location of Department facilities, the total number of health care beds of the Department, and the total staffing level of health-related workers in the Department.

SEC. 15032. CLOSURE AND CONVERSION OF INEFFICIENT OR UNDERUSED FACILITIES IN VETERANS' HOSPITALS.

(a) IN GENERAL.—In order to achieve greater efficiency in the operation of the Department of Veterans Affairs, the Secretary of Veterans Affairs shall reduce the number of surgical and other acute care facilities of the Department that have low rates of use or occupancy. The Secretary shall carry out the preceding sentence by closing small hospitals or underused units within hospitals or by converting such hospitals or underused units into facilities offering other services which are less costly and for which there is greater demand.

(b) CRITERIA.—In considering a facility for closure or conversion under subsection (b), the Secretary shall

take into consideration whether there are adequate alternative sources of care and whether the number of veterans using the facility is below average for Department of Veterans Affairs facilities.

SEC. 15033. REDUCTION IN EXPENDITURES FOR MAJOR CONSTRUCTION.

(a) LIMITATION ON MAJOR CONSTRUCTION PROJECTS.—During fiscal years 1996 through 2000, the Secretary of Veterans Affairs may carry out a major construction project only in a geographic area that does not contain underutilized non-Department of Veterans Affairs facilities though which the Secretary could obtain by contract the health care capacity that would otherwise be obtained through the major construction project.

(b) COST SAVINGS TO BE ACHIEVED.—In order to carry out subsection (a), the Secretary shall revise projected expenditures for major construction projects for the fiscal years covered by subsection (a) in order to reduce those projected expenditures by 10 percent.

Subtitle E—Other Veterans Programs Reforms

SEC. 15041. ELIMINATION OF CERTAIN SUNSET DATES.

The following provisions of law are repealed:

(1) Section 8013(e) of the Omnibus Budget Reconciliation Act of 1990 (38 U.S.C. 1710 note).

(2) Section 5503(f)(7) of title 38, United States Code.

SEC. 15042. THIRD-PARTY REIMBURSEMENT.

Section 1729(a)(2)(E) is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 1999''.

TITLE XVI—ADMINISTRATION OF JUSTICE

Subtitle A—Authorization of Appropriations

CHAPTER 1—DEPARTMENT OF JUSTICE

SEC. 16001. AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF JUSTICE.

There is authorized to be appropriated for each of the fiscal years 1996, 1997, 1998, 1999, and 2000, $9,517,139,750 to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) which shall include the following sums authorized to be appropriated—

(1) for General Administration, Salaries and Expenses: $73,229,000;

(2) for the Office of Inspector General: $30,500,000; which shall include—

(A) not to exceed $10,000 to meet unforeseen emergencies of a confidential character, to

be expended under the direction of the Attorney General, and to be accounted for solely on the certificate of the Attorney General; and

(B) funds for the acquisition, lease, maintenance and operation of motor vehicles without regard to the general purchase price limitation;

(3) for the United States Parole Commission: $6,781,000;

(4) for General Legal Activities: $407,234,000; which shall include—

(A) not to exceed $20,000 for expenses necessary in the collection of evidence, to be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General;

(B) funds for the rent of private or Government owned space in the District of Columbia; and

(C) not to exceed $2,762,000 for the Office of Legal Counsel:

except that notwithstanding any other provision of law, not to exceed $2,000,000 for expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986 shall be reimbursed from the Special

fund established to pay judgments awarded under the Act;

(5) for the Antitrust Division: $67,658,750;

(6) for the United States Attorneys: $817,757,000;

(7) for the United States Marshals Service: $341,471,000; which shall include—

(A) funds for the acquisition, lease, maintenance, and operation of vehicles and aircraft; and

(B) funds for the purchase of passenger motor vehicles for police-type use without regard to the general purchase price limitation for the current fiscal year:

except that notwithstanding the provisions of section 3302 of title 31, United States Code, for fiscal year 1992 and hereafter the Director of the United States Marshals Service may collect fees and expenses for the service authorized by section 1921 of title 28, United States Code, and credit not to exceed $1,000,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services;

(8) For the Support of United States Prisoners in the custody of the United States Marshals Service

and as authorized in section 4013 of title 18, United States Code, but not including expenses otherwise provided for in appropriations available to the Attorney General, $268,481,000, to remain available until expended; of which not to exceed $15,000,000 shall be available under the Cooperative Agreement Program;

(9) For Fees and Expenses of Witnesses: $78,000,000; which shall remain available until expended; and which shall include—

(A) funds for expenses, mileage, compensation, and per diem of witnesses, for private counsel expenses, and for per diem in lieu of subsistence, as authorized by law, including advances; and

(B) not to exceed $2,000,000 for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites;

(10) For the Community Relations Service: $20,379,000;

(11) For the United States Trustee System Fund: $100,216,000; to remain available until expended and to be derived from the Fund, except that

deposits to the Fund are available in such amounts as may be necessary to pay refunds due depositors;

(12) For the Assets Forfeiture Fund: $439,000,000; to be derived from the Fund, as may be necessary for the payment of expenses as authorized by subparagraphs (A)(ii), (B), (C), (F), and (G) of section 524(c)(1) of title 28, United States Code;

(13) For Organized Crime Drug Enforcement: $500,000,000; for expenses, not otherwise provided for, for the investigation and prosecution of individuals involved in organized crime drug trafficking, except that any amounts obligated from appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation;

(14) For the Federal Bureau of Investigation: $2,062,576,000; which shall include—

(A) funds for the purchase for police-type use of passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year, and for the hire of passenger motor vehicles;

(B) funds for the acquisition, lease, maintenance and operation of aircraft;

(C) not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General; and

(D) not to exceed $30,000 for official reception and representation expenses;

(15) For the Drug Enforcement Administration: $1,000,000,000; which shall include—

(A) funds for the purchase for police-type use of passenger motor vehicles, without regard to the general purchase price limitation for the current fiscal year, and for the hire of passenger motor vehicles;

(B) funds for the acquisition, lease, maintenance and operation of aircraft;

(C) funds for conducting drug education programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs; and

(D) not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney

General and to be accounted for solely on the certificate of the Attorney General;

(16) For the Immigration and Naturalization Service: $1,056,826,000; which shall include—

(A) funds for the purchase for police-type use of passenger motor vehicles, without regard to the general purchase price limitation for the current fiscal year, and for the hire of passenger motor vehicles;

(B) funds for the acquisition, lease, maintenance and operation of aircraft;

(C) funds for the purchase of uniforms without regard to the general purchase price limitation for the current fiscal year; and

(D) not to exceed $50,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General;

(17) For the Federal Prison System: $2,246,031,000; including $11,055,000 for the National Institute of Corrections and $339,225,000 for buildings and facilities; and

(18) The Federal Prison Industries, Incorporated is authorized to make expenditures, within

the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchases of and hire of passenger motor vehicles.

SEC. 16002. REDUCTION IN OVERHEAD EXPENSES OF DEPARTMENT OF JUSTICE.

(a) IN GENERAL.—The amount obligated by the Department of Justice during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $401,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

CHAPTER 2—OTHER LAW ENFORCEMENT ENTITIES

SEC. 16011. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES CUSTOMS SERVICE.

There is authorized to be appropriated for each of the fiscal years 1996, 1997, 1998, 1999, and 2000, $1,360,665,000 for salaries and expenses of the United States Customs Service.

SEC. 16012. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES SECRET SERVICE.

There is authorized to be appropriated for each of the fiscal years 1996, 1997, 1998, 1999, and 2000, $461,992,000 for salaries and expenses of the United States Secret Service.

SEC. 16013. AUTHORIZATION OF APPROPRIATIONS FOR THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS.

There is authorized to be appropriated for each of the fiscal years 1996, 1997, 1998, 1999, and 2000, $188,000,000 for salaries and expenses of the Bureau of Alcohol, Tobacco, and Firearms.

SEC. 16014. AUTHORIZATION OF APPROPRIATIONS FOR DEFENDER SERVICES.

There is authorized to be appropriated for each of the fiscal years 1996, 1997, 1998, 1999, and 2000, $250,000,000 for defender services authorized under section 3006A of title 18 of the United States Code.

CHAPTER 3—ADMINISTRATIVE REFORMS

SEC. 16021. IMPROVEMENT OF U.S. MARSHALS SERVICE.

(a) PHASING OUT OF POLITICAL APPOINTEES.—

(1) UNCONFIRMED APPOINTEES.—Any individual serving as a United States marshal to whose appointment to such office the Senate has not given its advice and consent as of the date of the enactment of this Act, may no longer serve in such position on or after such date of enactment, except pursuant to appointment by the Attorney General under the amendments made by this section. The Attorney General shall, before appointing any other individual to such vacated position, offer such vacated position

to the individual then serving as deputy marshal in that office of United States marshal. The individual appointed to fill such vacated position shall be appointed for the remainder of the unexpired term of his or her predecessor.

(2) CONFIRMED APPOINTEES.—Any individual who, on the date of the enactment of this Act, is a United States marshal to whose appointment the Senate has given its advice and consent, may not serve in such position on or after December 31, 1995, except pursuant to appointment by the Attorney General under the amendments made by this section. The Attorney General shall, before appointing any other individual to such vacated position, offer such vacated position to the individual then serving as deputy marshal in that office of United States marshal. The individual appointed to fill such vacated position shall be appointed for the remainder of the unexpired term of his or her predecessor.

(b) APPOINTMENT OF UNITED STATES MARSHALS.—Section 561 of title 28, United States Code, is amended—

(1) in subsection (c) by striking ''The President shall appoint, by and with the advice and consent of

the Senate,'' and inserting ''The Attorney General shall appoint''; and

(2) in subsection (d) by striking ''President'' and inserting ''Attorney General''.

(c) OVERALL REDUCTION IN NUMBER OF POSITIONS.—

(1) ELIMINATION OF POSITIONS OF DEPUTY MARSHAL.—The position of deputy marshal in the 70 judicial districts having the least population of all judicial districts shall be abolished, as of—

(A) the date of the enactment of this Act, in a case in which subsection (a)(1) applies; or

(B) the date on which the United States marshal leaves office under the first sentence of subsection (a)(2), in a case in which such subsection applies;

and no equivalent position in such districts shall thereafter be created.

(2) OVERALL REDUCTION.—The number of full-time equivalent positions in the United States Marshals Service as of January 1, 1996, may not exceed the number of full-time equivalent positions in the United States Marshals Service on the date of the enactment of this Act, minus 70.

(d) CONFORMING AMENDMENTS.—(1) Section 562 of title 28, United States Code, and the item relating to such section in the table of sections at the beginning of chapter 37 of such title, are repealed.

(2) Section 569 of such title is amended—

(A) by striking ''(a)''; and

(B) by striking subsection (b).

Subtitle B—Prison Reforms

SEC. 16201. PRIVATIZATION OF CORRECTIONAL INSTITUTIONS.

(a) IN GENERAL.—Chapter 301 of title 18, United States Code, is amended by adding at the end the following:

"§ 4014. Privatization of correctional institutions

''The Attorney General shall, not later than 5 years after the date of the enactment of this section and subject to the availability of sums appropriated for this purpose, contract with private persons for the imprisonment, subsistence, care, and proper employment of all persons held in Federal medium to maximum security mainstream prisons known as Federal correctional institutions under the authority of an enactment of Congress. The Attorney General shall phase in the contracts required under this section so that contracts cover approximately an additional 20 percent of prisoners in such institutions each of the

5 years beginning on the date of the enactment of this section.''

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 301 of title 18, United States Code, is amended by adding at the end the following new item:

''4014. Privatization of correctional institutions.''.

SEC. 16202. PAYMENT OF PUBLIC SAFETY OFFICERS.

Section 1201(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796(b)) is amended—

(1) in the first sentence by striking ''appropriations are provided'' and inserting ''funds are available under the Victims of Crime Act of 1984 (42 U.S.C. 10601 et seq.)''; and

(2) in the second sentence by striking ''there are authorized'' and all that follows and inserting ''the Attorney General, acting through the Director of the Office of Victims of Crime, shall assign a priority for payments to public safety officers under the Victims's of Crime Fund and payment from such fund to public safety officers shall be reduced by a proportionate share to the extent that sufficient funds are not available.

Subtitle C—Justice Assistance Program Reforms

SEC. 16301. LEGAL SERVICES CORPORATION.

The Legal Services Corporation Act is repealed, the Legal Services Corporation is terminated, and its officers and employees are terminated.

SEC. 16302. SURCHARGE ON DEBTS COLLECTED BY THE UNITED STATES.

Section 3011(a) of title 28, United States Code, is amended by striking ''10 percent'' and inserting ''15 percent''.

SEC. 16303. TERMINATE BUREAU OF JUSTICE ASSISTANCE.

(a) IN GENERAL.—Part D of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3741 et seq.) is repealed.

(b) BUREAU PHASE OUT.—The Attorney General may provide for the orderly phase out of the Bureau of Justice Assistance.

SEC. 16304. TERMINATE STATE JUSTICE INSTITUTE.

(a) IN GENERAL.—The State Justice Institute Act of 1984 (42 U.S.C. 10701 et seq.) is repealed.

(b) INSTITUTE PHASE OUT.— The Attorney General may provide for the orderly phase out of the State Justice Institute.

Subtitle D—Federal Bureau of Investigation Reforms

SEC. 16401. RESCISSION OF FUNDS FOR FBI FINGERPRINT LABORATORY IN WEST VIRGINIA.

Of the funds made available under the heading ''Federal Bureau of Investigation—Salaries and Expenses'' in chapter 2 of title II of Public Law 103–211, the unobligated balance on the date of the enactment of this Act is rescinded.

Subtitle E—Other Justice Program Reforms

SEC. 16501. AUTHORIZATION OF APPROPRIATIONS FOR THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

Section 705 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–4) is amended by adding at the end the following:

''(l) There is authorized to be appropriated to carry out this title (excluding subsections (j) and (k) of this section) $230,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.''.

SEC. 16502. HARBOR MAINTENANCE FEES.

Section 9505(c) of the Internal Revenue Code of 1986 (26 U.S.C. 9505(c)) is amended—

(1) in paragraph (2) by striking ''and'' at the end;

(2) in paragraph (3) by striking the period at the end and inserting '', and''; and

(3) by adding at the end the following:

''(4) in addition to amounts made available under paragraph (3), for payment of expenses incurred by the Department of the Treasury, in fiscal years 1996 through 1999, to ensure that the fees imposed under section 4461 are paid, but not in excess of $5,000,000 for any such fiscal year.''.

TITLE XVII—GENERAL GOVERNMENT

Subtitle A—Administrative Reforms

SEC. 17001. REDUCTION IN OVERHEAD EXPENSES OF CERTAIN FOREIGN OPERATIONS ACTIVITIES.

(a) IN GENERAL.—The aggregate amount obligated during fiscal year 1996 for overhead expenses for activities for which funds are appropriated under the heading ''Funds Appropriated to the President'' in the Foreign Operations, Export Financing, and Related Programs Appropriations Act shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year

(as compared to such outlays during fiscal year 1995) by $461,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

SEC. 17002. REDUCTION IN OVERHEAD EXPENSES OF DEPARTMENT OF THE TREASURY.

(a) IN GENERAL.—The amount obligated by the Department of the Treasury during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $209,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

SEC. 17003. REDUCTION IN OVERHEAD EXPENSES OF OFFICE OF PERSONNEL MANAGEMENT.

(a) IN GENERAL.—The amount obligated by the Office of Personnel Management during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $12,000,000.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses

within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

SEC. 17004. REDUCTION IN OVERHEAD EXPENSES OF OTHER INDEPENDENT AGENCIES.

(a) IN GENERAL.—The aggregate amount obligated by the independent agencies of the Federal Government during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by $347,000,000. The Director of the Office of Management and Budget shall establish obligation limits for each such agency in order to carry out this section.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

SEC. 17005. TERMINATION OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS.

(a) REPEAL.—The Act entitled ''An Act to establish an Advisory Commission on Intergovernmental Relations'' (42 U.S.C. 4271 et seq.), approved September 24, 1959, which established the Advisory Commission on Intergovernmental Relations, is repealed.

(b) SAVINGS PROVISIONS.—

(1) CONTINUATION OF AGREEMENTS, GRANTS, CONTRACTS, PRIVILEGES, AND OTHER ADMINISTRA-

TIVE ACTIONS.—All agreements, grants, contracts, privileges, and other administrative actions—

(A) which have been issued, made, granted, or allowed to become effective by the Advisory Commission on Intergovernmental Relations in the performance of its functions or by a court of competent jurisdiction with respect to those functions, and

(B) which are in effect on the date of the enactment of this Act, or were final before that date of enactment and are to become effective on or after that date of enactment,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(2) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the date of the enactment of this Act, 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 section had not been enacted.

(3) SUITS INVOLVING COUNCIL OR OFFICE.—No suit, action, or other proceeding commenced by or against the Advisory Commission on Intergovernmental Relations, or by or against any individual in the official capacity of such individual as an officer or employee of such commission, shall abate by reason of the enactment of this section.

SEC. 17006. ADMINISTRATIVE CONFERENCE OF THE UNITED STATES.

Subchapter V of chapter 5 of title 5, United States Code, is repealed, the Administrative Conference of the United States is terminated, and the officers and employees of the Conference are terminated.

SEC. 17007. TERMINATION OF MISCELLANEOUS ADVISORY COMMITTEES.

(a) DEPARTMENT OF AGRICULTURE.—

(1) SWINE HEALTH ADVISORY COMMITTEE.—Section 11 of the Swine Health Protection Act (7 U.S.C. 3810), which required the Secretary of Agriculture to appoint a swine health advisory committee or committees, is repealed.

(2) CASCADE HEAD SCENIC-RESEARCH AREA ADVISORY COUNCIL.—Section 8 of the Act of December 22, 1974 (16 U.S.C. 541g), which required the Secretary of Agriculture to establish a Cascade

Head Scenic-Research Area advisory council, is repealed.

(3) GLOBAL CLIMATE CHANGE TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703), which required the Secretary of Agriculture to establish a technical advisory committee concerning global climate change, is repealed.

(4) MONO BASIN NATIONAL FOREST SCENIC AREA ADVISORY BOARD.—Section 306 of the California Wilderness Act of 1984 (16 U.S.C. 543e), which established the Mono Basin National Forest Scenic Area Advisory Board, is repealed.

(5) NEZ PERCE NATIONAL HISTORIC TRAIL ADVISORY COUNCIL.—Section 5(d) of the National Trails System Act (16 U.S.C. 1244(d)), which required the Secretary of Agriculture to appoint a Nez Perce National Historic Trail Advisory Council, is amended in the first sentence by striking ''establishment.'' the first place it appears, and by inserting before the period at the end of the first sentence, as amended, the following: ''and the Advisory Council established for the Nez Perce National Historic Trail shall terminate on the effective date of the Restructuring a Limited Government Act''.

(b) DEPARTMENT OF DEFENSE.—Section 3306 of the National Defense Authorization Act for Fiscal Year 1993 (50 U.S.C. 98h–1 note), which authorized the Government-Industry Advisory Committee on the Operation and Modernization of the National Defense Stockpile, is repealed.

(c) DEPARTMENT OF ENERGY.—

(1) TECHNICAL ADVISORY COMMITTEE ON VERIFICATION OF FISSILE MATERIAL AND NUCLEAR WARHEAD CONTROLS.—Section 3151(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1839), which authorized the Technical Advisory Committee on Verification of Fissile Material and Nuclear Warhead Controls, is repealed.

(2) TECHNICAL PANEL ON MAGNETIC FUSION.—Section 7 of the Magnetic Fusion Energy Engineering Act of 1980 (42 U.S.C. 9306), which authorized the Technical Panel on Magnetic Fusion, is repealed.

(d) DEPARTMENT OF HEALTH AND HUMAN SERVICES.—

(1) ADVISORY COUNCIL ON HAZARDOUS SUBSTANCES RESEARCH AND TRAINING.—

(A) REPEAL.—Section 311(a)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9660(a)(5)), which authorized the Advisory Council on Hazardous Substances Research and Training, is repealed.

(B) CONFORMING AMENDMENT.—Section 2702(a) of title 10, United States Code, is amended in the first sentence by striking ''and the advisory council established under section 311(a)(5) of CERCLA''.

(2) ADVISORY COUNCIL ON TRAUMA CARE SYSTEMS.—Section 601(b) of the Preventative Health Amendments of 1993 (107 Stat. 2238), which sought to terminate the Advisory Council on Trauma Care Systems, is amended by striking ''Section 1201'' and inserting ''Title XII''.

(3) JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM ADVISORY PANEL.—Section 203(c)(4) of the Family Support Act of 1988 (42 U.S.C. 681 note), which authorized the Advisory Panel for the Evaluation of the Job Opportunities and Basic Skills Training (JOBS) Program, is repealed.

(4) BOARD OF TEA EXPERTS.—

(A) REPEAL.—Section 4 of the Tea Importation Act (21 U.S.C. 42), which authorized the Board of Tea Experts, is repealed.

(B) CONFORMING AMENDMENTS.—Section 3 of the Tea Importation Act (21 U.S.C. 43) is amended in the first sentence by striking ‘‘, upon the recommendation of the said board,’’.

(5) DEVICE GOOD MANUFACTURING ADVISORY COMMITTEE.—Section 520(f)(3) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360j(f)(3)), which authorized the Device Good Manufacturing Practice Advisory Committee, is repealed.

(6) END STAGE RENAL DISEASE DATA ADVISORY COMMITTEE.—The second sentence of section 1881(c)(7) of the Social Security Act (42 U.S.C. 1395rr(c)(7)), which authorized the End-Stage Renal Disease Data Advisory Committee, is amended by striking everything after ‘‘purpose of such’’ and inserting ‘‘registry and shall determine the appropriate location of the registry.’’.

(7) FEDERAL HOSPITAL COUNCIL.—Section 641 of the Public Health Service Act (42 U.S.C. 291k), which authorized the Federal Hospital Council, is repealed.

(8) NATIONAL ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES ADVISORY BOARD.—Section 442 of the Public Health Service Act (42 U.S.C. 285d–7), which authorized the National Arthritis and Musculoskeletal and Skin Diseases Advisory Board, is repealed.

(9) NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS.—Section 18 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979 (42 U.S.C. 4541 note), which established the National Commission on Alcoholism and Other Alcohol-Related Problems, is repealed.

(10) NATIONAL DEAFNESS AND OTHER COMMUNICATION DISORDERS ADVISORY BOARD.—Section 464D of the Public Health Service Act (42 U.S.C. 285m–4), which authorized the National Deafness and Other Communication Disorders Advisory Board, is repealed.

(11) NATIONAL DIABETES ADVISORY BOARD, NATIONAL DIGESTIVE DISEASES ADVISORY BOARD, AND NATIONAL KIDNEY AND UROLOGIC DISEASES ADVISORY BOARD.—

(A) REPEAL.—Section 430 of the Public Health Service Act (42 U.S.C. 285c–4), which authorized the National Diabetes Advisory Board, the National Digestive Diseases Advisory Board, and the National Kidney and Urologic Diseases Advisory Board, is repealed.

(B) CONFORMING AMENDMENTS.—Section 429(c) of the Public Health Service Act (42 U.S.C. 485c–3(c)) is amended—

(i) in paragraph (1) by adding ''and'' after the semicolon;

(ii) in paragraph (2) by striking ''and'' after the semicolon; and

(iii) by striking paragraph (3).

(12) TASK FORCE ON AGING RESEARCH.—Title III of the Home Health Care and Alzheimer's Disease Amendments of 1990 (42 U.S.C. 242q through 242q–5), which authorized the Task Force on Aging Research, is repealed.

(e) DEPARTMENT OF THE INTERIOR.—

(1) CHATTAHOOCHEE RIVER NATIONAL RECREATION AREA ADVISORY COMMISSION.—Section 106 of the Act entitled ''An Act to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other

purposes'' (16 U.S.C. 460ii–5), approved October 30, 1984, which established the Chattahoochee River National Recreation Area Advisory Commission, is repealed.

(2) GULF ISLANDS NATIONAL SEASHORE ADVISORY COMMISSION.—Section 10 of the Act entitled ''An Act to provide for the establishment of the Gulf Islands National Seashore, in the States of Florida and Mississippi, for the recognition of certain historic values at Fort San Carlos, Fort Redoubt, Fort Barrancas, and Fort Pickens in Florida, and Fort Massachusetts in Mississippi, and for other purposes'' (16 U.S.C. 459h–9), approved January 8, 1971, which established the Gulf Islands National Seashore Advisory Commission, is repealed.

(3) JEFFERSON NATIONAL EXPANSION MEMORIAL COMMISSION.—Section 7 of the Act entitled ''An Act to provide for the construction of the Jefferson National Expansion Memorial at the site of Old Saint Louis, Missouri, in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes'' (16 U.S.C. 450jj–6), approved August 24, 1984, which established the Jefferson National Expansion Memorial Commission, is repealed.

(4) POTOMAC HERITAGE NATIONAL SCENIC TRAIL ADVISORY COUNCIL.—The first sentence of section 5(d) of the National Trails System Act (16 U.S.C. 1244(d)), as amended by subsection (a)(5) of this Act, which authorized the Potomac Heritage National Scenic Trail Advisory Council, is further amended by striking ''The Secretary'' and inserting ''Except for the Potomac Heritage National Scenic Trail, the Secretary''.

(f) DEPARTMENT OF JUSTICE.—

(1) REPEAL.—Section 5002 of title 18, United States Code, which created the Advisory Corrections Council, is repealed.

(2) CONFORMING AMENDMENTS.—Chapter 401 of title 18, United States Code, is amended—

(A) by redesignating section 5003 as section 5002; and

(B) in the table of sections at the beginning of the chapter by striking the items related to sections 5002 and 5003 and inserting the following:

''5002. Custody of State offenders.''.

(g) DEPARTMENT OF TRANSPORTATION.—

(1) COMMERCIAL MOTOR VEHICLE SAFETY REGULATORY REVIEW PANEL.—

(A) REPEAL.—Section 31134 of title 49, United States Code, which authorized the Commercial Motor Vehicle Safety Regulatory Review Panel, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 311 of title 49, United States Code, is amended by striking the item relating to section 31134.

(2) NATIONAL DRIVER REGISTER ADVISORY COMMITTEE.—Section 209 of the National Driver Register Act of 1982 (23 U.S.C. 401 note), which established the National Driver Register Advisory Committee, is repealed.

(3) NATIONAL HIGHWAY SAFETY ADVISORY COMMITTEE.—Section 404 of title 23, United States Code, which established the National Highway Safety Advisory Committee, is repealed.

(h) SAVINGS PROVISIONS.—

(1) CONTINUATION OF AGREEMENTS, GRANTS, CONTRACTS, PRIVILEGES, AND OTHER ADMINISTRATIVE ACTIONS.—All agreements, grants, contracts, privileges, and other administrative actions—

(A) which have been issued, made, granted, or allowed to become effective by an entity terminated pursuant to an amendment or re-

peal made by this section, in the performance of its functions or by a court of competent jurisdiction with respect to those functions, and

(B) which are in effect on the date of the enactment of this Act, or were final before that date of enactment and are to become effective on or after that date of enactment,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(2) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the date of the enactment of this Act, 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 section had not been enacted.

(3) SUITS INVOLVING COUNCIL OR OFFICE.—No suit, action, or other proceeding commenced by or against an entity terminated pursuant to an amendment or repeal made by this section, or by or against any individual in the official capacity of such individual as an officer or employee of such an en-

tity, shall abate by reason of the enactment of this section.

SEC. 17008. TERMINATION OF FEDERAL INFORMATION CENTERS.

(a) REPEAL.—Section 112 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 760), which authorized the establishment of a network of Federal information centers, is repealed.

(b) CLERICAL AMENDMENT.—The table of contents in the first section of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) is amended by striking the item relating to section 112.

Subtitle B—Legislative Branch Reductions

SEC. 17101. REDUCTION IN OVERHEAD EXPENSES OF EXECUTIVE OFFICE OF THE PRESIDENT.

(a) IN GENERAL.—The amount obligated by each office in the Executive Office of the President during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses during such fiscal year (as compared to such outlays during fiscal year 1995) by 25 percent.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses

within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

SEC. 17102. FORMULA FOR DETERMINING OFFICIAL MAIL ALLOWANCE.

(a) IN GENERAL.—Section 311(e)(2)(B)(i) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 59e(e)(2)(B)(i)) is amended by striking ''3'' and inserting ''1.5''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to sessions of Congress beginning with the first session of the One Hundred Fourth Congress.

SEC. 17103. TRANSFER OF CERTAIN FUNDS PROHIBITED.

Section 101(c)(2) of the Legislative Branch Appropriations Act, 1993 (2 U.S.C. 95b(c)(2)), is amended by striking ''Official Mail Costs'',''.

SEC. 17104. TEMPORARY SUSPENSION OF AUTOMATIC PAY ADJUSTMENTS FOR MEMBERS OF CONGRESS.

(a) IN GENERAL.—Section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) is amended by adding at the end the following:

''(3) No rate of pay shall be adjusted to reflect any adjustment which, but for this paragraph, would take effect under paragraph (2) on or after January 1, 1997, and before January 1, 2002.''.

(b) TECHNICAL AMENDMENT.—Paragraph (2)(A) of section 601(a) of such Act is amended by striking ''Subject to subparagraph (B),'' and inserting ''Subject to subparagraph (B) and paragraph (3),''.

Subtitle C—Executive Branch Reductions

SEC. 17201. REDUCTION IN OVERHEAD EXPENSES OF EXECUTIVE OFFICE OF THE PRESIDENT.

(a) IN GENERAL.—The amount obligated by each office in the Executive Office of the President during fiscal year 1996 for overhead expenses shall not exceed an amount sufficient to reduce outlays for such expenses dur-

ing such fiscal year (as compared to such outlays during fiscal year 1995) by 25 percent.

(b) OVERHEAD EXPENSES.—For purposes of this section, the term ''overhead expenses'' means expenses within the following object classifications established by the Director of the Office of Management and Budget:

(1) 21.0 (travel and transportation of persons).

(2) 22.0 (transportation of things).

(3) 23.1 (rental payments to GSA).

(4) 23.3 (communications, utilities, and miscellaneous charges).

(5) 24.0 (printing and reproduction).

(6) 25.1 (consulting services).

(7) 25.2 (other services).

(8) 25.5 (research and development contracts).

(9) 26.0 (supplies and materials).

(10) 31 (equipment).

SEC. 17202. SES ANNUAL LEAVE ACCUMULATION.

(a) REPEAL.—

(1) IN GENERAL.—Section 6304(f) of title 5, United States Code, is repealed, effective as of the last day of the last applicable pay period beginning in the calendar year in which this Act is enacted.

(2) CONFORMING AMENDMENT.—Section 6304(a) of title 5, United States Code, is amended

by striking ''(e), (f), and (g)'' and inserting ''(e) and (g)'', effective as of the date on which the amendment made by paragraph (1) takes effect.

(b) SAVINGS PROVISION.—Annual leave in excess of the amount allowable under subsection (a) or (b) of section 6304 of title 5, United States Code, which was accumulated under section 6304(f) of such title by an employee who becomes subject to such subsection (a) or (b) as a result of this section shall remain to the credit of the employee and be subject to reduction in the same manner as provided in section 6304(c) of such title.

SEC. 17203. LIMITATION RELATING TO POLITICAL APPOINTEES.

(a) IN GENERAL.—The average total number of political appointees in the executive branch during 1997, and each subsequent calendar year, may not exceed 2,000 (determined on a full-time equivalent basis).

(b) BASIS FOR DETERMINING COMPLIANCE.—For purposes of applying the limitation under subsection (a), the average total number of political appointees in the executive branch during any calendar year shall be determined on the basis of the numbers of such appointees, as set forth in the budget for the United States Government submitted by the President to the Congress for the first fiscal year beginning after such calendar year.

(c) RESTRICTION.—Nothing in this section shall be considered to permit or require—

(1) the termination of an individual's appointment to a position established by law; or

(2) that any position referred to in paragraph (1) remain unfilled.

(d) DEFINITIONS.—For purposes of this section—

(1) the term ''political appointee in the executive branch'' means a political appointee serving in or under an Executive agency;

(2) the term ''political appointee'' means—

(A) an employee whose appointment is made by and with the advice and consent of the Senate;

(B) an employee whose position is excepted from the competitive service by reason of its confidential, policy-determining, policy-making, or policy-advocating character; and

(C) a noncareer appointee in the Senior Executive Service (as defined in section 3132(b)(7) of title 5, United States Code) or in any other senior executive service;

(3) the term ''employee'' has the meaning given such term by section 2105 of title 5, United States Code;

(4) the term ''competitive service'' has the meaning given such term by section 2102 of title 5, United States Code; and

(5) the term ''Executive agency'' has the meaning given such term in section 105 of title 5, United States Code, but does not include the General Accounting Office.

Subtitle D—Specific Program Reforms

SEC. 17301. DECREASE IN PRESIDENTIAL ELECTION CAMPAIGN FUND CHECK-OFF.

(a) IN GENERAL.—Section 6096(a) of the Internal Revenue Code of 1986 (relating to designation by individuals) is amended—

(1) by striking ''$3'' each place it appears and inserting ''$1'', and

(2) by striking ''$6'' and inserting ''$2''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to tax returns required to be filed after December 31, 1995.

SEC. 17302. MORATORIUM ON CONSTRUCTION AND ACQUISITION OF NEW FEDERAL BUILDINGS.

(a) GENERAL RULE.—After the date of the enactment of this Act and before October 1, 1998, the Administrator of General Services may not obligate any funds for

construction or acquisition of any public building under the authority of the Public Buildings Act of 1959 or any other provision of law (other than a public building under construction or under contract for acquisition on such date of enactment).

(b) PUBLIC BUILDING DEFINED.—In this section, the term ''public building'' has the meaning such term has under the Public Buildings Act of 1959.

SEC. 17303. TERMINATION OF ANNUAL DIRECT ASSISTANCE TO NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—No annual payment may be made under section 701, 702, or 704 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (48 U.S.C. 1681 note), for any fiscal year beginning after September 30, 1995.

(b) ELIMINATION OF 7-YEAR EXTENSIONS.—

(1) IN GENERAL.—The Act of March 24, 1976 (90 Stat. 263; 16 U.S.C. 1681 note) is amended by striking sections 3 and 4.

(2) CONFORMING CHANGES.—Section 5 of the Act of March 24, 1976 (90 Stat. 263; 16 U.S.C. 1681 note) is amended—

(A) by redesignating the section as section 3;

(B) by striking ''agreement identified in section 3 of this Act'' and inserting ''Agreement of the Special Representatives on Future United States Financial Assistance for the Government of the Northern Mariana Islands, executed June 10, 1985, between the special representative of the President of the United States and the special representatives of the Governor of the Northern Mariana Islands''; and

(C) by striking ''Interior and Insular Affairs'' and inserting ''Resources''.

SEC. 17304. GOVERNMENT INFORMATION DISSEMINATION AND PRINTING IMPROVEMENT.

(a) TRANSFER OF FUNCTIONS.—

(1) PUBLIC PRINTER.—The position of Public Printer and all functions of the position of Public Printer (other than functions of the Superintendent of Documents) under title 44, United States Code, or any other provision of law are transferred from the legislative branch of the Government to the executive branch of the Government.

(2) SUPERINTENDENT OF DOCUMENTS.—The position of Superintendent of Documents and all functions of the position of Superintendent of Docu-

ments under title 44, United States Code, or any other provision of law are transferred to the Library of Congress and shall be carried out by the Superintendent of Documents under the direction of the Librarian of Congress. The Superintendent of Documents shall be appointed by, and serve at the pleasure of, the Librarian of Congress.

(3) REVOCATION OF CHARTERS.—All printing plant charters authorized under section 501 of title 44, United States Code, are revoked.

(4) EFFECTIVE DATE.—The transfer under paragraph (1) and the revocation under paragraph (3) shall each take effect 2 years after the date of the enactment of this Act. The transfer under paragraph (2) shall take effect one year after the date of the enactment of this Act.

(b) GOVERNMENT PUBLICATIONS TO BE AVAILABLE THROUGHOUT THE GOVERNMENT.—All Government publications shall be available throughout the Government to any department, agency, or entity of the Government for use or redissemination.

(c) INVENTORY AND FURNISHING OF GOVERNMENT PUBLICATIONS.—Each department, agency, and other entity of the Government shall—

(1) establish and maintain a comprehensive inventory of its Government publications;

(2) make such inventory available through the electronic directory under chapter 41 of title 44, United States Code; and

(3) in the form and manner prescribed by the Superintendent of Documents, furnish its Government publications to the Superintendent of Documents.

(d) ADDITIONAL RESPONSIBILITIES OF THE PUBLIC PRINTER.—

(1) IN GENERAL.—The Public Printer shall, with respect to the executive branch of the Government and the judicial branch of the Government—

(A) use all necessary measures to remedy neglect, delay, duplication, and waste in the public printing and binding of Government publications, including the reduction and elimination of internal printing and high-speed duplicating capacities of departments, agencies, and entities;

(B) prescribe Government publishing standards, which, to the greatest extent practicable, shall be consistent with the United

States Government Printing Office Style Manual;

(C) prescribe Government procurement and manufacturing requirements for printing paper and writing paper, which, to the greatest extent practicable, shall be consistent with Government Paper Specification Standards;

(D) authorize the acquisition and transfer of equipment requisitioned by publishing facilities authorized under section 501 of title 44, United States Code;

(E) authorize the disposal of such equipment pursuant to section 312 of title 44, United States Code; and

(F) establish policy for the acquisition of printing, which, to the greatest extent practicable, shall be consistent with (i) Printing Procurement Regulation (GPO Publication 305.3), (ii) Government Printing and Binding Regulations (JCP No. 26), and (ii) Printing Procurement Department Instruction (PP304.1B).

(2) POLICY STANDARDS.—The policy referred to in paragraph (1)(F) shall be formulated to maximize competitive procurement from the private sec-

tor. Government in-house printing and duplicating operations authorized under section 501 of title 44, United States Code, or otherwise authorized by law, may be used if they provide printing at the lowest cost to the Government, taking into consideration the total expense of production, materials, labor, equipment, and general and administrative expense, including all levels of overhead.

(e) ADDITIONAL RESPONSIBILITIES OF THE SUPERINTENDENT OF DOCUMENTS.—

(1) GOVERNMENT PUBLICATIONS TO BE FURNISHED TO THE SUPERINTENDENT OF DOCUMENTS.—If a department, agency, or other entity of the Government publishes a Government publication, the head of the department, agency, or entity shall furnish the Government publication to the Superintendent of Documents not later than the date of release of the material to the public.

(2) DISSEMINATION OR REPUBLICATION.—In addition to any other dissemination provided for by law, the Superintendent of Documents shall disseminate or republish Government publications, if, as determined by the Superintendent, the dissemination by the department, agency, or entity of the Government is inadequate. The Superintendent shall have

authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under paragraph (1), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

(3) COST.—The cost charged to the public by the superintendent of documents under paragraph (2) for any government publication (whether such government publication is made available to the public by a department, agency, or entity of the government, or by the superintendent of documents) may include the incremental cost of dissemination, but may not include any profit.

(f) DEPOSITORY LIBRARIES.—In addition to any other distribution provided for by law, the Superintendent of Documents shall make Government publications available to designated depository libraries and State libraries. The Superintendent shall have authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under subsection (e)(1), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

(g) DEFINITIONS.—As used in this section—

(1) the term ''Government publication'' means any informational matter that is published at Government expense, or as required by law; and

(2) the term ''publish'' means, with respect to informational matter, make available for dissemination.

SEC. 17305. REPEAL OF TRANSITIONAL APPROPRIATIONS AUTHORIZATION FOR THE POST OFFICE

(a) IN GENERAL.—Section 2004 of title 39, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—Section 2003(e)(2) of such title is amended by striking out ''sections 2401 and 2004'' both places it appears and inserting in lieu thereof ''section 2401''.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 12 of such title is amended by striking out the item relating to section 2004.

○

HR 1923 IH——2

HR 1923 IH——3

HR 1923 IH——4

HR 1923 IH——5

HR 1923 IH——6

HR 1923 IH——7

HR 1923 IH——8

HR 1923 IH——9

HR 1923 IH——10

HR 1923 IH——11

HR 1923 IH——12

HR 1923 IH——13

HR 1923 IH——14

HR 1923 IH——15

HR 1923 IH——16

HR 1923 IH——17

HR 1923 IH——18

HR 1923 IH——19

HR 1923 IH——20

HR 1923 IH——21

HR 1923 IH——22

HR 1923 IH——23

HR 1923 IH——24

HR 1923 IH——25

HR 1923 IH——26

HR 1923 IH——27

HR 1923 IH——28

HR 1923 IH——29

HR 1923 IH——30

HR 1923 IH——31

HR 1923 IH——32

HR 1923 IH——33

HR 1923 IH——34

HR 1923 IH——35

HR 1923 IH——36

HR 1923 IH——37

HR 1923 IH——38

HR 1923 IH——39

HR 1923 IH——40

HR 1923 IH——41

HR 1923 IH——42

HR 1923 IH——43

HR 1923 IH——44

HR 1923 IH——45

HR 1923 IH——46

HR 1923 IH——47

HR 1923 IH——48

HR 1923 IH——49

HR 1923 IH——50

HR 1923 IH——51

HR 1923 IH——52

HR 1923 IH——53

HR 1923 IH——54

HR 1923 IH——55

HR 1923 IH——56

HR 1923 IH——57

HR 1923 IH——58

HR 1923 IH——59

HR 1923 IH——60

HR 1923 IH——61

HR 1923 IH——62

HR 1923 IH——63

HR 1923 IH——64

HR 1923 IH——65

HR 1923 IH——66

HR 1923 IH——67

HR 1923 IH——68

HR 1923 IH——69

HR 1923 IH——70

HR 1923 IH——71

HR 1923 IH——72

HR 1923 IH——73

HR 1923 IH——74

HR 1923 IH——75

HR 1923 IH——76