

105TH CONGRESS  
2D SESSION

# H. R. 3556

To reduce Federal spending in several programs.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1998

Mr. SHAYS introduced the following bill; which was referred to the Committee on National Security, and in addition to the Committees on International Relations, Science, Agriculture, Transportation and Infrastructure, Resources, Education and the Workforce, Veterans' Affairs, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To reduce Federal spending in several programs.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—DEFENSE**

4 **SEC. 101. REDUCTION OF NUCLEAR DELIVERY SYSTEMS.**

5 The Secretary of Defense shall reduce the strategic  
6 nuclear force of the Department of Defense by fiscal year  
7 2004 to include a maximum of 300 Minuteman III inter-  
8 continental ballistic missiles.

1 **SEC. 102. TERMINATION OF PRODUCTION OF TRIDENT II**  
2 **(D-5) MISSILES AND RETIREMENT OF TRI-**  
3 **DENT I SUBMARINES.**

4 (a) **TERMINATION OF TRIDENT II MISSILE PRODUC-**  
5 **TION.**—No funds may be appropriated to the Department  
6 of Defense for any fiscal year after fiscal year 1998 for  
7 production of Trident II (D-5) missiles for the Depart-  
8 ment of the Navy.

9 (b) **RETIREMENT OF TRIDENT I SUBMARINES.**—The  
10 Secretary of Defense shall retire eight Trident I sub-  
11 marines during fiscal years 2001 through 2004.

12 **SEC. 103. REDUCTION IN THEATER MISSILE DEFENSE PRO-**  
13 **GRAMS.**

14 (a) **TERMINATION OF PROGRAMS.**—The Secretary of  
15 Defense shall reduce theater missile defense programs by  
16 terminating development of—

17 (1) the Navy sea-based area theater missile de-  
18 fense system;

19 (2) the Army Medium Extended Air Defense  
20 System (MEADS);

21 (3) the Air Force airborne laser for destruction  
22 of missiles system; and

23 (4) the Space and Missile Tracking System  
24 (Brilliant Eyes).

25 (b) **PROHIBITION ON FUNDING FOR DEVELOPMENT**  
26 **OF ARROW MISSILE FOR ISRAEL.**—No funds may be ap-

1 appropriated to the Department of Defense for any fiscal  
2 year after fiscal year 1998 to provide assistance to Israel  
3 for development of the Arrow missile.

4 **SEC. 104. TERMINATION OF THE MARINE CORPS V-22**  
5 **OSPREY AIRCRAFT PROGRAM.**

6 No funds may be appropriated to the Department of  
7 Defense for any fiscal year after fiscal year 1998 for re-  
8 search, development, test, and evaluation or for procure-  
9 ment for the Marine Corps V-22 Osprey aircraft program.

10 **SEC. 105. RETIREMENT OF EXCESS KC-135 TANKERS.**

11 The Secretary of Defense shall retire 20 Air Force  
12 KC-135E aircraft during each of fiscal years 1999  
13 through 2003.

14 **SEC. 106. ASSIGNMENT OF WARTIME FUNCTION TO MILI-**  
15 **TARY PERSONNEL IN TRAINING OR TRANSIT.**

16 The Secretary of Defense shall assign to a unit of  
17 the Armed Forces each member of the Armed Forces—

18 (1) who is in transit during a scheduled move  
19 from one military installation to another military in-  
20 stallation; or

21 (2) who is undergoing military training other  
22 than basic training.

1 **SEC. 107. RECOVERY OF FULL COST OF MILITARY**  
2 **EXPORTS.**

3 (a) RECOUPMENT OF CERTAIN NONRECURRING  
4 COSTS IN COMMERCIAL EXPORT SALES OF MAJOR DE-  
5 FENSE EQUIPMENT.—

6 (1) IN GENERAL.—Section 38 of the Arms Ex-  
7 port Control Act (22 U.S.C. 2778) is amended by  
8 adding at the end the following new subsection:

9 “(i)(1) Any sale involving the export of major defense  
10 equipment pursuant to a license or other approval granted  
11 under this section shall include an appropriate charge for  
12 a proportionate amount of the nonrecurring costs incurred  
13 by the United States in the research, development, and  
14 production of such equipment. Such charge shall be com-  
15 parable to the charge imposed pursuant to section  
16 21(e)(1)(B) of this Act relating to government-to-govern-  
17 ment sales of major defense equipment.

18 “(2) The charge provided for in paragraph (1) shall  
19 not apply with respect to major defense equipment that  
20 is wholly paid for from funds transferred under section  
21 503(a)(3) of the Foreign Assistance Act of 1961 (22  
22 U.S.C. 2311(a)(3)) or from funds made available on a  
23 grant or other nonrepayable basis under section 23 of this  
24 Act.”.

25 (2) EFFECTIVE DATE.—Section 38(i) of the  
26 Arms Export Control Act, as added by paragraph

1 (1), applies with respect to major defense equipment  
2 sold pursuant to a contract entered into on or after  
3 the date of the enactment of this Act.

4 (b) RECOVERY OF CERTAIN ADMINISTRATIVE EX-  
5 PENSES IN CONNECTION WITH FOREIGN MILITARY  
6 SALES.—Section 43(b) of the Arms Export Control Act  
7 (22 U.S.C. 2792(b)) is amended—

8 (1) by adding “and” at the end of paragraph  
9 (1);

10 (2) by striking “; and” at the end of paragraph  
11 (2) and inserting a period; and

12 (3) by striking paragraph (3).

## 13 **TITLE II—OTHER** 14 **DISCRETIONARY ACCOUNTS**

### 15 **SEC. 201. TERMINATION OF SPACE STATION PROGRAM.**

16 (a) TERMINATION.—The Administrator of the Na-  
17 tional Aeronautics and Space Administration shall termi-  
18 nate the participation of the United States in the Inter-  
19 national Space Station program.

20 (b) TERMINATION COSTS.—There are authorized to  
21 be appropriated to the Administrator of the National Aer-  
22 onautics and Space Administration \$700,000,000 for fis-  
23 cal year 1999 for costs associated with carrying out sub-  
24 section (a).

1 **SEC. 202. ELIMINATION OF LOAN SUBSIDIES AVAILABLE**  
2 **UNDER THE RURAL ELECTRIFICATION ACT**  
3 **OF 1936.**

4 (a) IN GENERAL.—Title I of the Rural Electrification  
5 Act of 1936 (7 U.S.C. 901–946) is amended by adding  
6 at the end the following:

7 **“SEC. 19. INTEREST RATE ON LOANS AND ADVANCES**  
8 **UNDER THIS ACT.**

9 “The rate of interest on any loan made under this  
10 Act on or after the date of the enactment of this section,  
11 and the rate of interest on any advance made under this  
12 Act on or after such date under loan commitments made  
13 at any time, shall equal the coupon equivalent yield on  
14 obligations of the Treasury of the United States of com-  
15 parable maturity, at the most recent auction of such obli-  
16 gations by the Department of the Treasury.

17 **“SEC. 20. LOAN ORIGINATION FEES.**

18 “(a) IN GENERAL.—The Secretary and the Governor  
19 of the telephone bank shall charge and collect a loan origi-  
20 nation fee, in an amount determined by use of the sched-  
21 ule prescribed under subsection (b), from each borrower  
22 to whom a loan is made under this Act on or after the  
23 date of the enactment of this section.

24 “(b) FEE SCHEDULE.—The Secretary shall prescribe  
25 a schedule of loan origination fees to be collected under  
26 subsection (a), which shall be calculated so as to result

1 in the collection of amounts sufficient to cover the cost of  
2 defaults on loans made under this Act on or after the date  
3 of the enactment of this section.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 305(a) of such Act (7 U.S.C.  
6 935(a)) is amended by striking “and at the interest  
7 rates hereinafter provided”.

8 (2) Section 305(c)(1) of such Act (7 U.S.C.  
9 935(c)(1)) is amended by striking “of 5 percent per  
10 year” each place it appears and inserting “deter-  
11 mined pursuant to section 19”.

12 (3) Section 305(c)(2)(A) of such Act (7 U.S.C.  
13 935(c)(2)(A)) is amended—

14 (A) by striking “the interest rate described  
15 in subparagraph (B)” and inserting “an inter-  
16 est rate determined pursuant to section 19”;  
17 and

18 (B) by striking “(C)” and inserting “(B)”;

19 (4) Section 305(c)(2)(C)(i) of such Act (7  
20 U.S.C. 935(c)(2)(C)(i)) is amended by striking “sub-  
21 paragraph (B)” and inserting “section 19”.

22 (5) Section 305(c)(2) of such Act (7 U.S.C.  
23 935(c)(2)) is amended by striking subparagraph (B)  
24 and redesignating subparagraphs (C) and (D) as  
25 subparagraphs (B) and (C), respectively.

1           (6) Section 305(d)(1)(A) of such Act (7 U.S.C.  
2           935(d)) is amended by striking “of 5 percent per  
3           year” and inserting “determined pursuant to section  
4           19”.

5           (7) Section 305(d)(2) of such Act (7 U.S.C.  
6           935(d)(2)) is amended by striking “equal to the then  
7           current cost of money to the Government of the  
8           United States for loans of similar maturity, but not  
9           more than 7 percent per year,” and inserting “deter-  
10          mined pursuant to section 19”.

11          (8) Section 305(d)(3)(C) of such Act (7 U.S.C.  
12          935(d)(3)(C)) is amended by striking  
13          “408(b)(4)(C)” and inserting “408(b)(3)(C)”.

14          (9) Section 306C(e)(1) of such Act (7 U.S.C.  
15          936c(e)(1)) is amended—

16                (A) by striking “the interest rate described  
17                in paragraph (2)” and inserting “an interest  
18                rate determined pursuant to section 19”; and

19                (B) by striking “(3)” and inserting “(2)”.

20          (10) Section 306C(e)(3)(A) of such Act (7  
21          U.S.C. 936c(e)(3)(A)) is amended by striking “para-  
22          graph (2)” and inserting “section 19”.

23          (11) Section 306C(e)(4) of such Act (7 U.S.C.  
24          936c(e)(4)) is amended by striking “(3)” and insert-  
25          ing “(2)”.

1           (12) Section 306C(e) of such Act (7 U.S.C.  
2           936c(e)) is amended by striking paragraph (2) and  
3           redesignating paragraphs (3) and (4) as paragraphs  
4           (2) and (3), respectively.

5           (13) Section 306C of such Act (7 U.S.C. 936c)  
6           is amended by striking subsection (d).

7           (14) Section 310 of such Act (7 U.S.C. 940) is  
8           amended by striking “provided in section 305” and  
9           inserting “determined pursuant to section 19”.

10          (15) Section 408(b)(2) of such Act (7 U.S.C.  
11          948(b)(2)) is amended by striking “, however, to”  
12          and inserting “to section 19 and”.

13          (16) Section 408(b) of such Act (7 U.S.C.  
14          948(b)) is amended by striking paragraph (3) and  
15          redesignating paragraphs (4) through (8) as para-  
16          graphs (3) through (7), respectively.

17          (17) Section 408(e) of such Act (7 U.S.C.  
18          948(e)) is amended by striking the 1st and 2nd sen-  
19          tences.

20 **SEC. 203. ELIMINATION OF BELOW-COST SALES OF TIMBER**  
21 **FROM NATIONAL FOREST SYSTEM LANDS.**

22          The National Forest Management Act of 1976 is  
23          amended by inserting after section 14 (16 U.S.C. 472a)  
24          the following new section:

1 **“SEC. 14A. ELIMINATION OF BELOW-COST TIMBER SALES**  
2 **FROM NATIONAL FOREST SYSTEM LANDS.**

3 “(a) **REQUIREMENT THAT SALE REVENUES EXCEED**  
4 **COSTS.**—On and after October 1, 2003, in appraising tim-  
5 ber and setting a minimum bid for trees, portions of trees,  
6 or forest products located on National Forest System  
7 lands proposed for sale under section 14 or any other pro-  
8 vision of law, the Secretary of Agriculture shall ensure  
9 that the estimated cash returns to the United States  
10 Treasury from each sale exceed the estimated costs to be  
11 incurred by the Federal Government in the preparation  
12 of the sale or as a result of the sale.

13 “(b) **COSTS TO BE CONSIDERED.**—For purposes of  
14 estimating under this section the costs to be incurred by  
15 the Federal Government from each timber sale, the Sec-  
16 retary shall assign to the sale the following costs:

17 “(1) The actual appropriated expenses for sale  
18 preparation and harvest administration incurred or  
19 to be incurred by the Federal Government from the  
20 sale and the payments to counties to be made as a  
21 result of the sale.

22 “(2) A portion of the annual timber resource  
23 planning costs, silvicultural examination costs, other  
24 resource support costs, road design and construction  
25 costs, road maintenance costs, transportation plan-  
26 ning costs, appropriated reforestation costs, timber

1 stand improvement costs, forest genetics costs, gen-  
2 eral administrative costs (including administrative  
3 costs of the national and regional offices of the For-  
4 est Service), and facilities construction costs of the  
5 Federal Government directly or indirectly related to  
6 the timber harvest program conducted on National  
7 Forest System lands.

8 “(c) METHOD OF ALLOCATING COSTS.—The Sec-  
9 retary shall allocate the costs referred to in subsection  
10 (b)(2) to each unit of the National Forest System, and  
11 each proposed timber sale in such unit, on the basis of  
12 harvest volume.

13 “(d) TRANSITIONAL REQUIREMENTS.—To ensure the  
14 elimination of all below-cost timber sales by the date speci-  
15 fied in subsection (a), the Secretary shall progressively re-  
16 duce the number and size of below-cost timber sales on  
17 National Forest System lands as follows:

18 “(1) In fiscal years 1999 and 2000, the quan-  
19 tity of timber sold in below-cost timber sales on Na-  
20 tional Forest System lands shall not exceed 75 per-  
21 cent of the quantity of timber sold in below-cost tim-  
22 ber sales in the preceding fiscal year.

23 “(2) In fiscal year 2001, the quantity of timber  
24 sold in below-cost timber sales on National Forest  
25 System lands shall not exceed 65 percent of the

1 quantity of timber sold in below-cost timber sales in  
2 fiscal year 1998.

3 “(3) In fiscal years 2002 and 2003, the quan-  
4 tity of timber sold in below-cost timber sales on Na-  
5 tional Forest System lands shall not exceed 50 per-  
6 cent of the quantity of timber sold in below-cost tim-  
7 ber sales in the fiscal year 2001.

8 “(e) BELOW-COST TIMBER SALE.—For purposes of  
9 this section, the term ‘below-cost timber sale’ means a sale  
10 of timber in which the costs to be incurred by the Federal  
11 Government exceed the cash returns to the United States  
12 Treasury.”.

13 **SEC. 204. ELIMINATION OF THE FOREIGN MARKET DEVEL-**  
14 **OPMENT COOPERATOR PROGRAM.**

15 Title VII of the Agricultural Trade Act of 1978 (7  
16 U.S.C. 5712 et seq.) is repealed.

17 **SEC. 205. ELIMINATION OF COCHRAN FELLOWSHIP PRO-**  
18 **GRAM.**

19 Section 1543 of the Food, Agriculture, Conservation,  
20 and Trade Act of 1990 (7 U.S.C. 3293) is repealed.

21 **SEC. 206. ELIMINATION OF SUPPORT FOR PRODUCERS AND**  
22 **USERS OF COMMERCIAL AIRLINERS.**

23 The Administrator of the National Aeronautics and  
24 Space Administration shall not obligate any funds for the

1 Advanced Subsonic Technology Program, High-Speed Re-  
2 search, or the National Aeronautics Facility.

3 **SEC. 207. ELIMINATION OF APPALACHIAN REGIONAL COM-**  
4 **MISSION.**

5 Effective September 30, 1998, the Appalachian Re-  
6 gional Development Act of 1965 (Public Law 89-4) is re-  
7 pealed.

8 **SEC. 208. ELIMINATION OF FEDERAL FUNDING FOR TVA.**

9 Section 27 of the Tennessee Valley Authority Act of  
10 1933 (16 U.S.C. 831z) is amended to read as follows:

11 “SEC. 27. No appropriations are authorized to carry  
12 out the provisions of this Act after September 30, 1998.”.

13 **TITLE III—ENTITLEMENTS**

14 **SEC. 301. SALE AND PURCHASE OF POWER BY FEDERAL**  
15 **POWER MARKETING ADMINISTRATIONS.**

16 (a) MARKET BASED RATES.—Notwithstanding sec-  
17 tions 4 and 5 of the Bonneville Project Act of 1937 (16  
18 U.S.C. 832), sections 9 and 10 of the Federal Columbia  
19 River Transmission System Act (16 U.S.C. 838 and fol-  
20 lowing), the Act of August 31, 1964 (16 U.S.C. 837-  
21 837h), section 7 of the Pacific Northwest Electric Power  
22 Planning and Conservation Act (16 U.S.C. 839-839h),  
23 section 5 of the Flood Control Act of 1944, the Depart-  
24 ment of Energy Organization Act (Public Law 93-454),  
25 or any other authority of law, for any contract or other

1 arrangement entered into by any Federal Power Market-  
2 ing Administration after October 1, 1998 for the sale of  
3 electric power, notwithstanding any other provision of  
4 law—

5 (1) the rate for the sale of such power shall be  
6 the market rate established by competitive bidding  
7 and no discount or special rate shall be provided to  
8 any purchaser; and

9 (2) no public body or cooperative, Federal agen-  
10 cy, investor-owned utility, direct service industrial  
11 customer, or other entity shall be entitled to any  
12 preference or priority right to contract for or other-  
13 wise purchase such power.

14 Nothing in this subsection shall affect any contract en-  
15 tered into before October 1, 1998. Notwithstanding the  
16 Federal Power Act or section 7 of the Pacific Northwest  
17 Electric Power Planning and Conservation Act (16 U.S.C.  
18 839–839h), the Federal Energy Regulatory Commission  
19 shall not be authorized or required to approve or confirm  
20 any rate for the sale of electric power or transmission serv-  
21 ices established under this subsection.

22 (b) TERMINATION OF RESIDENTIAL EXCHANGE PRO-  
23 GRAM.—Section 5(c) of the Pacific Northwest Power Plan-  
24 ning and Conservation Act (16 U.S.C. 839–839h) shall  
25 not apply to any contract or other arrangement for the

1 purchase or sale of electric power entered into after Octo-  
2 ber 1, 1998.

3 (c) **CONTRACT RENEWAL.**—After the enactment of  
4 this Act, no Federal Power Marketing Administration may  
5 enter into or renew any power marketing contract for a  
6 term that exceeds 5 years.

7 **SEC. 302. ELIMINATION OF MARKET ACCESS PROGRAM.**

8 Section 203 of the Agricultural Trade Act of 1978  
9 (7 U.S.C. 5623) is repealed.

10 **SEC. 303. INCREASE IN ASSESSMENTS UNDER TOBACCO**  
11 **PRICE SUPPORT PROGRAM.**

12 (a) **INCREASE IN ASSESSMENT RATE.**—Section  
13 106(g)(1) of the Agricultural Act of 1949 (7 U.S.C.  
14 1445(g)(1)) is amended—

15 (1) in subparagraph (A), by striking “.5 per-  
16 cent” and inserting “1 percent”; and

17 (2) in subparagraph (B), by striking “1 per-  
18 cent” and inserting “2 percent”.

19 (b) **DURATION OF ASSESSMENTS.**—Such section is  
20 further amended by striking “1998 crops” and inserting  
21 “2003 crops”.

22 **SEC. 304. PAYMENT OF IN-SCHOOL INTEREST BY STUDENT**  
23 **LOAN BORROWERS.**

24 Section 428(b)(7) of the Higher Education Act of  
25 1965 (20 U.S.C. 1078(b)(7)) is amended—

1           (1) in subparagraph (A), by striking “In the  
2 case” and inserting “Except as provided in subpara-  
3 graph (D), in the case”; and

4           (2) by adding at the end the following new sub-  
5 paragraph:

6           “(D) In the case of a loan made under section  
7 427 or 428 after October 1, 1998, the repayment  
8 period shall exclude any period of authorized  
9 deferment or forbearance, and shall begin as de-  
10 scribed in clause (i) or (ii) of subparagraph (A), but  
11 interest shall begin to accrue or be paid by the bor-  
12 rower at the beginning of the 6 month period de-  
13 scribed in such clause (i).”.

14 **SEC. 305. COPAYMENT FOR PRESCRIPTION MEDICATIONS**  
15 **FURNISHED TO VETERANS BY THE DEPART-**  
16 **MENT OF VETERANS AFFAIRS.**

17           (a) INCREASE IN COPYAMENT.—Subsection (a)(1) of  
18 1722A of title 38, United States Code, is amended by  
19 striking “\$2” and inserting “\$5”.

20           (b) EXTENSION OF COPAYMENT REQUIREMENT.—  
21 Subsection (c) of such section is amended by striking  
22 “September 30, 2002” and inserting “September 30,  
23 2003”.

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