

110TH CONGRESS  
1ST SESSION

# H. R. 2206

---

## AN ACT

Making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

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

1 **DIVISION A—U.S. TROOP READI-**  
 2 **NESS, VETERANS’ CARE,**  
 3 **KATRINA RECOVERY, AND**  
 4 **IRAQ ACCOUNTABILITY AP-**  
 5 **PROPRIATIONS ACT, 2007**

6 **SECTION 1. SHORT TITLE.**

7 This division may be cited as the “U.S. Troop Readiness,  
 8 Veterans’ Care, Katrina Recovery, and Iraq Accountability  
 9 Appropriations Act, 2007”.

10 **SEC. 2. TABLE OF CONTENTS.**

11 The table of contents for this Act is as follows:

DIVISION A—U.S. TROOP READINESS, VETERANS’ CARE, KATRINA  
 RECOVERY, AND IRAQ ACCOUNTABILITY APPROPRIATIONS ACT,  
 2007

TITLE I—FUNDING FOR MILITARY OPERATIONS IN IRAQ AND AF-  
 GHANISTAN

TITLE II—OTHER INTERNATIONAL AND SECURITY-RELATED  
 FUNDING

TITLE III—ADDITIONAL HURRICANE DISASTER RELIEF AND RE-  
 COVERY

TITLE IV—OTHER EMERGENCY APPROPRIATIONS

TITLE V—OTHER MATTERS

TITLE VI—ELIMINATION OF SCHIP SHORTFALL AND OTHER  
 HEALTH MATTERS

TITLE VII—FAIR MINIMUM WAGE AND TAX RELIEF

DIVISION B—AGRICULTURAL DISASTER ASSISTANCE AND WEST-  
 ERN STATES EMERGENCY UNFINISHED BUSINESS APPROPRIATIONS  
 ACT, 2007

TITLE I—AGRICULTURAL ASSISTANCE

TITLE II—EMERGENCY APPROPRIATIONS FOR WESTERN STATES

12 **SEC. 3. STATEMENT OF APPROPRIATIONS.**

13 The following sums in this division are appropriated,  
 14 out of any money in the Treasury not otherwise appro-  
 15 priated, for the fiscal year ending September 30, 2007.

1 **TITLE I—FUNDING FOR MILI-**  
2 **TARY OPERATIONS IN IRAQ**  
3 **AND AFGHANISTAN**

4 **CHAPTER 1—IMMEDIATE FUNDING NEEDS**

5 DEPARTMENT OF DEFENSE—MILITARY

6 MILITARY PERSONNEL

7 MILITARY PERSONNEL, ARMY

8 For an additional amount for “Military Personnel,  
9 Army”, \$4,528,215,000.

10 MILITARY PERSONNEL, NAVY

11 For an additional amount for “Military Personnel,  
12 Navy”, \$754,347,000.

13 MILITARY PERSONNEL, MARINE CORPS

14 For an additional amount for “Military Personnel,  
15 Marine Corps”, \$802,391,000.

16 MILITARY PERSONNEL, AIR FORCE

17 For an additional amount for “Military Personnel,  
18 Air Force”, \$689,944,000.

19 RESERVE PERSONNEL, ARMY

20 For an additional amount for “Reserve Personnel,  
21 Army”, \$73,622,000.

22 RESERVE PERSONNEL, NAVY

23 For an additional amount for “Reserve Personnel,  
24 Navy”, \$44,623,000.

## 1 RESERVE PERSONNEL, MARINE CORPS

2 For an additional amount for “Reserve Personnel,  
3 Marine Corps”, \$5,660,000.

## 4 RESERVE PERSONNEL, AIR FORCE

5 For an additional amount for “Reserve Personnel,  
6 Air Force”, \$7,573,000.

## 7 NATIONAL GUARD PERSONNEL, ARMY

8 For an additional amount for “National Guard Per-  
9 sonnel, Army”, \$314,091,000.

## 10 NATIONAL GUARD PERSONNEL, AIR FORCE

11 For an additional amount for “National Guard Per-  
12 sonnel, Air Force”, \$19,533,000.

## 13 OPERATION AND MAINTENANCE

## 14 OPERATION AND MAINTENANCE, ARMY

15 For an additional amount for “Operation and Main-  
16 tenance, Army”, \$15,400,000,000.

## 17 OPERATION AND MAINTENANCE, NAVY

18 For an additional amount for “Operation and Main-  
19 tenance, Navy”, \$2,338,335,000.

## 20 OPERATION AND MAINTENANCE, MARINE CORPS

21 For an additional amount for “Operation and Main-  
22 tenance, Marine Corps”, \$573,297,000.

## 23 OPERATION AND MAINTENANCE, AIR FORCE

24 For an additional amount for “Operation and Main-  
25 tenance, Air Force”, \$3,325,441,000.

1 OPERATION AND MAINTENANCE, DEFENSE-WIDE

2 For an additional amount for “Operation and Main-  
3 tenance, Defense-Wide”, \$1,357,244,000.

4 OPERATION AND MAINTENANCE, ARMY RESERVE

5 For an additional amount for “Operation and Main-  
6 tenance, Army Reserve”, \$37,025,000.

7 OPERATION AND MAINTENANCE, NAVY RESERVE

8 For an additional amount for “Operation and Main-  
9 tenance, Navy Reserve”, \$55,533,000.

10 OPERATION AND MAINTENANCE, MARINE CORPS

11 RESERVE

12 For an additional amount for “Operation and Main-  
13 tenance, Marine Corps Reserve”, \$6,796,000.

14 OPERATION AND MAINTENANCE, AIR FORCE RESERVE

15 For an additional amount for “Operation and Main-  
16 tenance, Air Force Reserve”, \$5,080,000.

17 OPERATION AND MAINTENANCE, ARMY NATIONAL

18 GUARD

19 For an additional amount for “Operation and Main-  
20 tenance, Army National Guard”, \$41,785,000.

21 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

22 For an additional amount for “Operation and Main-  
23 tenance, Air National Guard”, \$19,215,000.

## 1           AFGHANISTAN SECURITY FORCES FUND

2           For an additional amount for “Afghanistan Security  
3 Forces Fund”, \$2,953,200,000.

## 4           IRAQ SECURITY FORCES FUND

5           For an additional amount for “Iraq Security Forces  
6 Fund”, \$1,921,150,000.

## 7   JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

8           For an additional amount for “Joint Improvised Ex-  
9 plosive Device Defeat Fund”, \$1,216,400,000, to remain  
10 available until September 30, 2008.

## 11                           PROCUREMENT

## 12                           OTHER PROCUREMENT, ARMY

13           For an additional amount for “Other Procurement,  
14 Army”, \$1,217,000,000, to remain available until Sep-  
15 tember 30, 2009: *Provided*, That the amount provided  
16 under this heading shall be available only for the purchase  
17 of mine resistant ambush protected vehicles.

## 18                           OTHER PROCUREMENT, NAVY

19           For an additional amount for “Other Procurement,  
20 Navy”, \$130,040,000, to remain available until September  
21 30, 2009: *Provided*, That the amount provided under this  
22 heading shall be available only for the purchase of mine  
23 resistant ambush protected vehicles.

## 1                   PROCUREMENT, MARINE CORPS

2           For an additional amount for “Procurement, Marine  
3 Corps”, \$1,263,360,000, to remain available until Sep-  
4 tember 30, 2009: *Provided*, That the amount provided  
5 under this heading shall be available only for the purchase  
6 of mine resistant ambush protected vehicles.

## 7                   OTHER PROCUREMENT, AIR FORCE

8           For an additional amount for “Other Procurement,  
9 Air Force”, \$139,040,000, to remain available until Sep-  
10 tember 30, 2009: *Provided*, That the amount provided  
11 under this heading shall be available only for the purchase  
12 of mine resistant ambush protected vehicles.

## 13                   PROCUREMENT, DEFENSE-WIDE

14           For an additional amount for “Procurement, De-  
15 fense-Wide”, \$258,860,000, to remain available until Sep-  
16 tember 30, 2009: *Provided*, That the amount provided  
17 under this heading shall be available only for the purchase  
18 of mine resistant ambush protected vehicles.

## 19   OTHER DEPARTMENT OF DEFENSE PROGRAMS

## 20                   DEFENSE HEALTH PROGRAM

21                   (INCLUDING TRANSFER OF FUNDS)

22           For an additional amount for “Defense Health Pro-  
23 gram”, \$3,251,853,000; of which \$2,802,153,000 shall be  
24 for operation and maintenance, including \$600,000,000  
25 which shall be available for the treatment of traumatic

1 brain injury and post-traumatic stress disorder and re-  
2 main available until September 30, 2008; of which  
3 \$118,000,000 shall be for procurement, to remain avail-  
4 able until September 30, 2009; and of which  
5 \$331,700,000 shall be for research, development, test and  
6 evaluation, to remain available until September 30, 2008:  
7 *Provided*, That the funds provided under this heading  
8 shall be allocated in accordance with the direction given  
9 in the joint explanatory statement accompanying the con-  
10 ference report on H.R. 1591 of the 110th Congress (H.  
11 Rept. 110–107): *Provided further*, That if the Secretary  
12 of Defense determines that funds made available in this  
13 paragraph for the treatment of traumatic brain injury and  
14 post-traumatic stress disorder are in excess of the require-  
15 ments of the Department of Defense, the Secretary may  
16 transfer amounts in excess of that requirement to the De-  
17 partment of Veterans Affairs to be available only for the  
18 same purpose.

## 19 **CHAPTER 2—ADDITIONAL FUNDING**

### 20 DEPARTMENT OF DEFENSE—MILITARY

#### 21 MILITARY PERSONNEL

#### 22 MILITARY PERSONNEL, ARMY

23 For an additional amount for “Military Personnel,  
24 Army”, \$4,325,135,000.

## 1                   MILITARY PERSONNEL, NAVY

2           For an additional amount for “Military Personnel,  
3 Navy”, \$346,063,000.

## 4                   MILITARY PERSONNEL, MARINE CORPS

5           For an additional amount for “Military Personnel,  
6 Marine Corps”, \$693,436,000.

## 7                   MILITARY PERSONNEL, AIR FORCE

8           For an additional amount for “Military Personnel,  
9 Air Force”, \$528,643,000.

## 10                  RESERVE PERSONNEL, ARMY

11          For an additional amount for “Reserve Personnel,  
12 Army”, \$98,163,000.

## 13                  RESERVE PERSONNEL, NAVY

14          For an additional amount for “Reserve Personnel,  
15 Navy”, \$41,400,000.

## 16                  RESERVE PERSONNEL, AIR FORCE

17          For an additional amount for “Reserve Personnel,  
18 Air Force”, \$4,000,000.

## 19                  NATIONAL GUARD PERSONNEL, ARMY

20          For an additional amount for “National Guard Per-  
21 sonnel, Army”, \$231,195,000.

## 22                  NATIONAL GUARD PERSONNEL, AIR FORCE

23          For an additional amount for “National Guard Per-  
24 sonnel, Air Force”, \$24,500,000.

## 1 OPERATION AND MAINTENANCE

## 2 OPERATION AND MAINTENANCE, ARMY

3 For an additional amount for “Operation and Main-  
4 tenance, Army”, \$4,973,379,000.

## 5 OPERATION AND MAINTENANCE, NAVY

## 6 (INCLUDING TRANSFER OF FUNDS)

7 For an additional amount for “Operation and Main-  
8 tenance, Navy”, \$2,313,794,000, of which up to  
9 \$120,293,000 shall be transferred to Coast Guard, “Oper-  
10 ating Expenses”, for reimbursement for activities which  
11 support activities requested by the Navy.

## 12 OPERATION AND MAINTENANCE, MARINE CORPS

13 For an additional amount for “Operation and Main-  
14 tenance, Marine Corps”, \$573,297,000.

## 15 OPERATION AND MAINTENANCE, AIR FORCE

16 For an additional amount for “Operation and Main-  
17 tenance, Air Force”, \$3,325,441,000.

## 18 OPERATION AND MAINTENANCE, DEFENSE-WIDE

19 For an additional amount for “Operation and Main-  
20 tenance, Defense-Wide”, \$1,357,244,000, of which—

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

1           (2) not to exceed \$200,000,000, to remain  
2 available until expended, may be used for payments  
3 to reimburse Pakistan, Jordan, and other key co-  
4 operating nations, for logistical, military, and other  
5 support provided to United States military oper-  
6 ations, notwithstanding any other provision of law:  
7 *Provided*, That such payments may be made in such  
8 amounts as the Secretary of Defense, with the con-  
9 currence of the Secretary of State, and in consulta-  
10 tion with the Director of the Office of Management  
11 and Budget, may determine, in his discretion, based  
12 on documentation determined by the Secretary of  
13 Defense to adequately account for the support pro-  
14 vided, and such determination is final and conclusive  
15 upon the accounting officers of the United States,  
16 and 15 days following notification to the appropriate  
17 congressional committees: *Provided further*, That the  
18 Secretary of Defense shall provide quarterly reports  
19 to the congressional defense committees on the use  
20 of funds provided in this paragraph.

21 OPERATION AND MAINTENANCE, ARMY RESERVE

22 For an additional amount for “Operation and Main-  
23 tenance, Army Reserve”, \$37,025,000.

## 1 OPERATION AND MAINTENANCE, NAVY RESERVE

2 For an additional amount for “Operation and Main-  
3 tenance, Navy Reserve”, \$55,533,000.

4 OPERATION AND MAINTENANCE, MARINE CORPS  
5 RESERVE

6 For an additional amount for “Operation and Main-  
7 tenance, Marine Corps Reserve”, \$6,796,000.

## 8 OPERATION AND MAINTENANCE, AIR FORCE RESERVE

9 For an additional amount for “Operation and Main-  
10 tenance, Air Force Reserve”, \$5,080,000.

11 OPERATION AND MAINTENANCE, ARMY NATIONAL  
12 GUARD

13 For an additional amount for “Operation and Main-  
14 tenance, Army National Guard”, \$41,785,000.

## 15 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

16 For an additional amount for “Operation and Main-  
17 tenance, Air National Guard”, \$19,215,000.

## 18 AFGHANISTAN SECURITY FORCES FUND

19 For an additional amount for “Afghanistan Security  
20 Forces Fund”, \$2,953,200,000, to remain available until  
21 September 30, 2008.

## 22 IRAQ SECURITY FORCES FUND

23 For an additional amount for “Iraq Security Forces  
24 Fund”, \$1,921,150,000, to remain available until Sep-  
25 tember 30, 2008.

## 1 IRAQ FREEDOM FUND

2 (INCLUDING TRANSFER OF FUNDS)

3 For an additional amount for “Iraq Freedom Fund”,  
4 \$355,600,000, to remain available for transfer until Sep-  
5 tember 30, 2008: *Provided*, That up to \$50,000,000 may  
6 be obligated and expended for purposes of the Task Force  
7 to Improve Business and Stability Operations in Iraq.

## 8 JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

9 For an additional amount for “Joint Improvised Ex-  
10 plosive Device Defeat Fund”, \$1,216,400,000, to remain  
11 available until September 30, 2009.

## 12 STRATEGIC RESERVE READINESS FUND

13 (INCLUDING TRANSFER OF FUNDS)

14 In addition to amounts provided in this or any other  
15 Act, for training, operations, repair of equipment, pur-  
16 chases of equipment, and other expenses related to im-  
17 proving the readiness of non-deployed United States mili-  
18 tary forces, \$2,000,000,000, to remain available until Sep-  
19 tember 30, 2009; of which \$1,000,000,000 shall be trans-  
20 ferred to “National Guard and Reserve Equipment” for  
21 the purchase of equipment for the Army National Guard;  
22 and of which \$1,000,000,000 shall be transferred by the  
23 Secretary of Defense only to appropriations for military  
24 personnel, operation and maintenance, procurement, and  
25 defense working capital funds to accomplish the purposes

1 provided herein: *Provided*, That the funds transferred  
2 shall be merged with and shall be available for the same  
3 purposes and for the same time period as the appropria-  
4 tion to which transferred: *Provided further*, That the Sec-  
5 retary of Defense shall, not fewer than thirty days prior  
6 to making transfers under this authority, notify the con-  
7 gressional defense committees in writing of the details of  
8 any such transfers made pursuant to this authority: *Pro-*  
9 *vided further*, That funds shall be transferred to the ap-  
10 propriation accounts not later than 120 days after the en-  
11 actment of this division: *Provided further*, That the trans-  
12 fer authority provided in this paragraph is in addition to  
13 any other transfer authority available to the Department  
14 of Defense: *Provided further*, That upon a determination  
15 that all or part of the funds transferred from this appro-  
16 priation are not necessary for the purposes provided here-  
17 in, such amounts may be transferred back to this appro-  
18 priation.

## 19 PROCUREMENT

### 20 AIRCRAFT PROCUREMENT, ARMY

21 For an additional amount for “Aircraft Procurement,  
22 Army”, \$619,750,000, to remain available until Sep-  
23 tember 30, 2009.

## 1 MISSILE PROCUREMENT, ARMY

2 For an additional amount for “Missile Procurement,  
3 Army”, \$111,473,000, to remain available until Sep-  
4 tember 30, 2009.

5 PROCUREMENT OF WEAPONS AND TRACKED COMBAT  
6 VEHICLES, ARMY

7 For an additional amount for “Procurement of Weap-  
8 ons and Tracked Combat Vehicles, Army”,  
9 \$3,404,315,000, to remain available until September 30,  
10 2009.

## 11 PROCUREMENT OF AMMUNITION, ARMY

12 For an additional amount for “Procurement of Am-  
13 muniton, Army”, \$681,500,000, to remain available until  
14 September 30, 2009.

## 15 OTHER PROCUREMENT, ARMY

16 For an additional amount for “Other Procurement,  
17 Army”, \$9,859,137,000, to remain available until Sep-  
18 tember 30, 2009.

## 19 AIRCRAFT PROCUREMENT, NAVY

20 For an additional amount for “Aircraft Procurement,  
21 Navy”, \$1,090,287,000, to remain available until Sep-  
22 tember 30, 2009.

## 1 WEAPONS PROCUREMENT, NAVY

2 For an additional amount for “Weapons Procure-  
3 ment, Navy”, \$163,813,000, to remain available until  
4 September 30, 2009.

5 PROCUREMENT OF AMMUNITION, NAVY AND MARINE  
6 CORPS

7 For an additional amount for “Procurement of Am-  
8 munition, Navy and Marine Corps”, \$159,833,000, to re-  
9 main available until September 30, 2009.

## 10 OTHER PROCUREMENT, NAVY

11 For an additional amount for “Other Procurement,  
12 Navy”, \$618,709,000, to remain available until September  
13 30, 2009.

## 14 PROCUREMENT, MARINE CORPS

15 For an additional amount for “Procurement, Marine  
16 Corps”, \$989,389,000, to remain available until Sep-  
17 tember 30, 2009.

## 18 AIRCRAFT PROCUREMENT, AIR FORCE

19 For an additional amount for “Aircraft Procurement,  
20 Air Force”, \$2,106,468,000, to remain available until  
21 September 30, 2009.

## 22 MISSILE PROCUREMENT, AIR FORCE

23 For an additional amount for “Missile Procurement,  
24 Air Force”, \$94,900,000, to remain available until Sep-  
25 tember 30, 2009.



1 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
2 AIR FORCE

3 For an additional amount for “Research, Develop-  
4 ment, Test and Evaluation, Air Force”, \$187,176,000, to  
5 remain available until September 30, 2008.

6 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
7 DEFENSE-WIDE

8 For an additional amount for “Research, Develop-  
9 ment, Test and Evaluation, Defense-Wide”,  
10 \$512,804,000, to remain available until September 30,  
11 2008.

12 REVOLVING AND MANAGEMENT FUNDS

13 DEFENSE WORKING CAPITAL FUNDS

14 For an additional amount for “Defense Working  
15 Capital Funds”, \$1,315,526,000.

16 NATIONAL DEFENSE SEALIFT FUND

17 For an additional amount for “National Defense Sea-  
18 lift Fund”, \$5,000,000.

19 OTHER DEPARTMENT OF DEFENSE PROGRAMS

20 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES,  
21 DEFENSE

22 For an additional amount for “Drug Interdiction and  
23 Counter-Drug Activities, Defense”, \$254,665,000, to re-  
24 main available until expended.

## 1 RELATED AGENCIES

2 INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

3 For an additional amount for “Intelligence Commu-  
4 nity Management Account”, \$71,726,000.

5 **CHAPTER 3—GENERAL PROVISIONS, THIS**  
6 **TITLE**

7 SEC. 1301. Appropriations provided in this title are  
8 available for obligation until September 30, 2007, unless  
9 otherwise provided in this title.

10 (TRANSFER OF FUNDS)

11 SEC. 1302. Upon his determination that such action  
12 is necessary in the national interest, the Secretary of De-  
13 fense may transfer between appropriations up to  
14 \$3,500,000,000 of the funds made available to the De-  
15 partment of Defense in this title: *Provided*, That the Sec-  
16 retary shall notify the Congress promptly of each transfer  
17 made pursuant to the authority in this section: *Provided*  
18 *further*, That the authority provided in this section is in  
19 addition to any other transfer authority available to the  
20 Department of Defense and is subject to the same terms  
21 and conditions as the authority provided in section 8005  
22 of the Department of Defense Appropriations Act, 2007  
23 (Public Law 109–289; 120 Stat. 1257), except for the  
24 fourth proviso: *Provided further*, That funds previously  
25 transferred to the “Joint Improvised Explosive Device De-  
26 feat Fund” and the “Iraq Security Forces Fund” under

1 the authority of section 8005 of Public Law 109–289 and  
2 transferred back to their source appropriations accounts  
3 shall not be taken into account for purposes of the limita-  
4 tion on the amount of funds that may be transferred  
5 under section 8005.

6 SEC. 1303. Funds appropriated in this title, or made  
7 available by the transfer of funds in or pursuant to this  
8 title, for intelligence activities are deemed to be specifically  
9 authorized by the Congress for purposes of section  
10 504(a)(1) of the National Security Act of 1947 (50 U.S.C.  
11 414(a)(1)).

12 SEC. 1304. None of the funds provided in this title  
13 may be used to finance programs or activities denied by  
14 Congress in fiscal years 2006 or 2007 appropriations to  
15 the Department of Defense or to initiate a procurement  
16 or research, development, test and evaluation new start  
17 program without prior written notification to the congres-  
18 sional defense committees.

19 (TRANSFER OF FUNDS)

20 SEC. 1305. During fiscal year 2007, the Secretary  
21 of Defense may transfer not to exceed \$6,300,000 of the  
22 amounts in or credited to the Defense Cooperation Ac-  
23 count, pursuant to 10 U.S.C. 2608, to such appropriations  
24 or funds of the Department of Defense as he shall deter-  
25 mine for use consistent with the purposes for which such  
26 funds were contributed and accepted: *Provided*, That such

1 amounts shall be available for the same time period as  
2 the appropriation to which transferred: *Provided further*,  
3 That the Secretary shall report to the Congress all trans-  
4 fers made pursuant to this authority.

5       SEC. 1306. (a) AUTHORITY TO PROVIDE SUP-  
6 PORT.—Of the amount appropriated by this title under the  
7 heading, “Drug Interdiction and Counter-Drug Activities,  
8 Defense”, not to exceed \$60,000,000 may be used for sup-  
9 port for counter-drug activities of the Governments of Af-  
10 ghanistan and Pakistan: *Provided*, That such support  
11 shall be in addition to support provided for the counter-  
12 drug activities of such Governments under any other pro-  
13 vision of the law.

14       (b) TYPES OF SUPPORT.—

15           (1) Except as specified in subsection (b)(2) of  
16 this section, the support that may be provided under  
17 the authority in this section shall be limited to the  
18 types of support specified in section 1033(c)(1) of  
19 the National Defense Authorization Act for Fiscal  
20 Year 1998 (Public Law 105–85, as amended by  
21 Public Laws 106–398, 108–136, and 109–364) and  
22 conditions on the provision of support as contained  
23 in section 1033 shall apply for fiscal year 2007.

24           (2) The Secretary of Defense may transfer ve-  
25 hicles, aircraft, and detection, interception, moni-

1 toring and testing equipment to said Governments  
2 for counter-drug activities.

3 SEC. 1307. (a) From funds made available for oper-  
4 ation and maintenance in this title to the Department of  
5 Defense, not to exceed \$456,400,000 may be used, not-  
6 withstanding any other provision of law, to fund the Com-  
7 manders' Emergency Response Program, for the purpose  
8 of enabling military commanders in Iraq and Afghanistan  
9 to respond to urgent humanitarian relief and reconstruc-  
10 tion requirements within their areas of responsibility by  
11 carrying out programs that will immediately assist the  
12 Iraqi and Afghan people.

13 (b) QUARTERLY REPORTS.—Not later than 15 days  
14 after the end of each fiscal year quarter, the Secretary  
15 of Defense shall submit to the congressional defense com-  
16 mittees a report regarding the source of funds and the  
17 allocation and use of funds during that quarter that were  
18 made available pursuant to the authority provided in this  
19 section or under any other provision of law for the pur-  
20 poses of the programs under subsection (a).

21 SEC. 1308. Section 9010 of division A of Public Law  
22 109–289 is amended by striking “2007” each place it ap-  
23 pears and inserting “2008”.

24 SEC. 1309. During fiscal year 2007, supervision and  
25 administration costs associated with projects carried out

1 with funds appropriated to “Afghanistan Security Forces  
2 Fund” or “Iraq Security Forces Fund” in this title may  
3 be obligated at the time a construction contract is award-  
4 ed: *Provided*, That for the purpose of this section, super-  
5 vision and administration costs include all in-house Gov-  
6 ernment costs.

7       SEC. 1310. Section 1005(c)(2) of the National De-  
8 fense Authorization Act, Fiscal Year 2007 (Public Law  
9 109–364) is amended by striking “\$310,277,000” and in-  
10 serting “\$376,446,000”.

11       SEC. 1311. None of the funds appropriated or other-  
12 wise made available by this or any other Act shall be obli-  
13 gated or expended by the United States Government for  
14 a purpose as follows:

15           (1) To establish any military installation or  
16 base for the purpose of providing for the permanent  
17 stationing of United States Armed Forces in Iraq.

18           (2) To exercise United States control over any  
19 oil resource of Iraq.

20       SEC. 1312. None of the funds made available in this  
21 division may be used in contravention of the following laws  
22 enacted or regulations promulgated to implement the  
23 United Nations Convention Against Torture and Other  
24 Cruel, Inhuman or Degrading Treatment or Punishment  
25 (done at New York on December 10, 1984)—

1 (1) section 2340A of title 18, United States  
2 Code;

3 (2) section 2242 of the Foreign Affairs Reform  
4 and Restructuring Act of 1998 (division G of Public  
5 Law 105–277; 112 Stat. 2681–822; 8 U.S.C. 1231  
6 note) and regulations prescribed thereto, including  
7 regulations under part 208 of title 8, Code of Fed-  
8 eral Regulations, and part 95 of title 22, Code of  
9 Federal Regulations; and

10 (3) sections 1002 and 1003 of the Department  
11 of Defense, Emergency Supplemental Appropriations  
12 to Address Hurricanes in the Gulf of Mexico, and  
13 Pandemic Influenza Act, 2006 (Public Law 109–  
14 148).

15 SEC. 1313. (a) REPORT BY SECRETARY OF DE-  
16 FENSE.—Not later than 30 days after the date of the en-  
17 actment of this division, the Secretary of Defense shall  
18 submit to the congressional defense committees a report  
19 that contains individual transition readiness assessments  
20 by unit of Iraq and Afghan security forces. The Secretary  
21 of Defense shall submit to the congressional defense com-  
22 mittees updates of the report required by this subsection  
23 every 90 days after the date of the submission of the re-  
24 port until October 1, 2008. The report and updates of the

1 report required by this subsection shall be submitted in  
2 classified form.

3 (b) REPORT BY OMB.—

4 (1) The Director of the Office of Management  
5 and Budget, in consultation with the Secretary of  
6 Defense; the Commander, Multi-National Security  
7 Transition Command—Iraq; and the Commander,  
8 Combined Security Transition Command—Afghani-  
9 stan, shall submit to the congressional defense com-  
10 mittees not later than 120 days after the date of the  
11 enactment of this division and every 90 days there-  
12 after a report on the proposed use of all funds under  
13 each of the headings “Iraq Security Forces Fund”  
14 and “Afghanistan Security Forces Fund” on a  
15 project-by-project basis, for which the obligation of  
16 funds is anticipated during the three-month period  
17 from such date, including estimates by the com-  
18 manders referred to in this paragraph of the costs  
19 required to complete each such project.

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

22 (A) The use of all funds on a project-by-  
23 project basis for which funds appropriated  
24 under the headings referred to in paragraph (1)  
25 were obligated prior to the submission of the re-

1 port, including estimates by the commanders  
2 referred to in paragraph (1) of the costs to  
3 complete each project.

4 (B) The use of all funds on a project-by-  
5 project basis for which funds were appropriated  
6 under the headings referred to in paragraph (1)  
7 in prior appropriations Acts, or for which funds  
8 were made available by transfer, reprogram-  
9 ming, or allocation from other headings in prior  
10 appropriations Acts, including estimates by the  
11 commanders referred to in paragraph (1) of the  
12 costs to complete each project.

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

17 (e) NOTIFICATION.—The Secretary of Defense shall  
18 notify the congressional defense committees of any pro-  
19 posed new projects or transfers of funds between sub-ac-  
20 tivity groups in excess of \$15,000,000 using funds appro-  
21 priated by this division under the headings “Iraq Security  
22 Forces Fund” and “Afghanistan Security Forces Fund”.

23 SEC. 1314. None of the funds appropriated or other-  
24 wise made available by this title may be obligated or ex-  
25 pended to provide award fees to any defense contractor

1 contrary to the provisions of section 814 of the National  
2 Defense Authorization Act, Fiscal Year 2007 (Public Law  
3 109–364).

4       SEC. 1315. Not more than 85 percent of the funds  
5 appropriated in chapter 2 for operation and maintenance  
6 shall be available for obligation unless and until the Sec-  
7 retary of Defense submits to the congressional defense  
8 committees a report detailing the use of Department of  
9 Defense funded service contracts conducted in the theater  
10 of operations in support of United States military and re-  
11 construction activities in Iraq and Afghanistan: *Provided*,  
12 That the report shall provide detailed information speci-  
13 fying the number of contracts and contract costs used to  
14 provide services in fiscal year 2006, with sub-allocations  
15 by major service categories: *Provided further*, That the re-  
16 port also shall include estimates of the number of con-  
17 tracts to be executed in fiscal year 2007: *Provided further*,  
18 That the report shall include the number of contractor  
19 personnel in Iraq and Afghanistan funded by the Depart-  
20 ment of Defense: *Provided further*, That the report shall  
21 be submitted to the congressional defense committees not  
22 later than August 1, 2007.

23       SEC. 1316. Section 1477 of title 10, United States  
24 Code, is amended—

1           (1) in subsection (a), by striking “A death gra-  
2           tuity” and inserting “Subject to subsection (d), a  
3           death gratuity”;

4           (2) by redesignating subsection (d) as sub-  
5           section (e) and, in such subsection, by striking “If  
6           an eligible survivor dies before he” and inserting “If  
7           a person entitled to all or a portion of a death gra-  
8           tuity under subsection (a) or (d) dies before the per-  
9           son”; and

10          (3) by inserting after subsection (c) the fol-  
11          lowing new subsection (d):

12          “(d) During the period beginning on the date of the  
13          enactment of this subsection and ending on September 30,  
14          2007, a person covered by section 1475 or 1476 of this  
15          title may designate another person to receive not more  
16          than 50 percent of the amount payable under section 1478  
17          of this title. The designation shall indicate the percentage  
18          of the amount, to be specified only in 10 percent incre-  
19          ments up to the maximum of 50 percent, that the des-  
20          ignated person may receive. The balance of the amount  
21          of the death gratuity shall be paid to or for the living sur-  
22          vivors of the person concerned in accordance with para-  
23          graphs (1) through (5) of subsection (a).”.

24          SEC. 1317. Section 9007 of Public Law 109–289 is  
25          amended by striking “20” and inserting “287”.

1        SEC. 1318. (a) INSPECTION OF MILITARY MEDICAL  
2 TREATMENT FACILITIES, MILITARY QUARTERS HOUSING  
3 MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS  
4 HOUSING MEDICAL HOLDOVER PERSONNEL.—

5            (1) IN GENERAL.—Not later than 180 days  
6 after the date of the enactment of this division, and  
7 annually thereafter, the Secretary of Defense shall  
8 inspect each facility of the Department of Defense  
9 as follows:

10            (A) Each military medical treatment facil-  
11 ity.

12            (B) Each military quarters housing med-  
13 ical hold personnel.

14            (C) Each military quarters housing med-  
15 ical holdover personnel.

16            (2) PURPOSE.—The purpose of an inspection  
17 under this subsection is to ensure that the facility or  
18 quarters concerned meets acceptable standards for  
19 the maintenance and operation of medical facilities,  
20 quarters housing medical hold personnel, or quarters  
21 housing medical holdover personnel, as applicable.

22            (b) ACCEPTABLE STANDARDS.—For purposes of this  
23 section, acceptable standards for the operation and main-  
24 tenance of military medical treatment facilities, military  
25 quarters housing medical hold personnel, or military quar-

1 ters housing medical holdover personnel are each of the  
2 following:

3 (1) Generally accepted standards for the ac-  
4 creditation of medical facilities, or for facilities used  
5 to quarter individuals with medical conditions that  
6 may require medical supervision, as applicable, in  
7 the United States.

8 (2) Where appropriate, standards under the  
9 Americans with Disabilities Act of 1990 (42 U.S.C.  
10 12101 et seq.).

11 (c) ADDITIONAL INSPECTIONS ON IDENTIFIED DEFICI-  
12 CIENCIES.—

13 (1) IN GENERAL.—In the event a deficiency is  
14 identified pursuant to subsection (a) at a facility or  
15 quarters described in paragraph (1) of that sub-  
16 section—

17 (A) the commander of such facility or  
18 quarters, as applicable, shall submit to the Sec-  
19 retary a detailed plan to correct the deficiency;  
20 and

21 (B) the Secretary shall reinspect such fa-  
22 cility or quarters, as applicable, not less often  
23 than once every 180 days until the deficiency is  
24 corrected.

1           (2) CONSTRUCTION WITH OTHER INSPEC-  
2           TIONS.—An inspection of a facility or quarters  
3           under this subsection is in addition to any inspection  
4           of such facility or quarters under subsection (a).

5           (d) REPORTS ON INSPECTIONS.—A complete copy of  
6           the report on each inspection conducted under subsections  
7           (a) and (c) shall be submitted in unclassified form to the  
8           applicable military medical command and to the congres-  
9           sional defense committees.

10          (e) REPORT ON STANDARDS.—In the event no stand-  
11          ards for the maintenance and operation of military med-  
12          ical treatment facilities, military quarters housing medical  
13          hold personnel, or military quarters housing medical hold-  
14          over personnel exist as of the date of the enactment of  
15          this division, or such standards as do exist do not meet  
16          acceptable standards for the maintenance and operation  
17          of such facilities or quarters, as the case may be, the Sec-  
18          retary shall, not later than 30 days after that date, submit  
19          to the congressional defense committees a report setting  
20          forth the plan of the Secretary to ensure—

21                 (1) the adoption by the Department of stand-  
22                 ards for the maintenance and operation of military  
23                 medical facilities, military quarters housing medical  
24                 hold personnel, or military quarters housing medical  
25                 holdover personnel, as applicable, that meet—

1 (A) acceptable standards for the mainte-  
2 nance and operation of such facilities or quar-  
3 ters, as the case may be; and

4 (B) where appropriate, standards under  
5 the Americans with Disabilities Act of 1990;  
6 and

7 (2) the comprehensive implementation of the  
8 standards adopted under paragraph (1) at the ear-  
9 liest date practicable.

10 SEC. 1319. From funds made available for the “Iraq  
11 Security Forces Fund” for fiscal year 2007, up to  
12 \$155,500,000 may be used, notwithstanding any other  
13 provision of law, to provide assistance, with the concur-  
14 rence of the Secretary of State, to the Government of Iraq  
15 to support the disarmament, demobilization, and re-  
16 integration of militias and illegal armed groups.

17 SEC. 1320. (a) INDEPENDENT ASSESSMENT OF CA-  
18 PABILITIES OF IRAQI SECURITY FORCES.—Of the amount  
19 appropriated or otherwise made available for the Depart-  
20 ment of Defense, \$750,000 is provided to commission an  
21 independent, private-sector entity, which operates as a  
22 501(c)(3) with recognized credentials and expertise in  
23 military affairs, to prepare an independent report assess-  
24 ing the following:

1           (1) The readiness of the Iraqi Security Forces  
2           (ISF) to assume responsibility for maintaining the  
3           territorial integrity of Iraq, denying international  
4           terrorists a safe haven, and bringing greater security  
5           to Iraq's 18 provinces in the next 12–18 months,  
6           and bringing an end to sectarian violence to achieve  
7           national reconciliation.

8           (2) The training; equipping; command, control  
9           and intelligence capabilities; and logistics capacity of  
10          the ISF.

11          (3) The likelihood that, given the ISF's record  
12          of preparedness to date, following years of training  
13          and equipping by U.S. forces, the continued support  
14          of U.S. troops will contribute to the readiness of the  
15          ISF to fulfill the missions outlined in subparagraph  
16          (1).

17          (b) REPORT.—Not later than 120 days after passage  
18          of this division, the designated private sector entity shall  
19          provide an unclassified report, with a classified annex,  
20          containing its findings, to the House and Senate Commit-  
21          tees on Armed Services, Appropriations, Foreign Rela-  
22          tions, and Intelligence.

23          SEC. 1321. (a) AWARD OF MEDAL OF HONOR TO  
24          WOODROW W. KEEBLE FOR VALOR DURING KOREAN  
25          WAR.—Notwithstanding any applicable time limitation

1 under section 3744 of title 10, United States Code, or any  
2 other time limitation with respect to the award of certain  
3 medals to individuals who served in the Armed Forces, the  
4 President may award to Woodrow W. Keeble the Medal  
5 of Honor under section 3741 of that title for the acts of  
6 valor described in subsection (b).

7 (b) ACTS OF VALOR.—The acts of valor referred to  
8 in subsection (a) are the acts of Woodrow W. Keeble, then-  
9 acting platoon leader, carried out on October 20, 1951,  
10 during the Korean War.

11 (TRANSFER OF FUNDS)

12 SEC. 1322. Of the amount appropriated under the  
13 heading “Other Procurement, Army”, in title III of divi-  
14 sion A of Public Law 109–148, \$6,250,000 shall be trans-  
15 ferred to “Military Construction, Army”.

16 SEC. 1323. The Secretary of the Navy shall, notwith-  
17 standing any other provision of law, transfer to the Sec-  
18 retary of the Air Force, at no cost, all lands, easements,  
19 Air Installation Compatible Use Zones, and facilities at  
20 NASJRB Willow Grove designated for operation as a  
21 Joint Interagency Installation for use by the Pennsylvania  
22 National Guard and other Department of Defense compo-  
23 nents, government agencies, and associated users to per-  
24 form national defense, homeland security, and emergency  
25 preparedness missions.

## (TRANSFER OF FUNDS)

1  
2 SEC. 1324. Notwithstanding any other provision of  
3 law (except section 1331 of this division), not to exceed  
4 \$110,000,000 may be transferred to the “Economic Sup-  
5 port Fund”, Department of State, for use in programs  
6 in Pakistan from amounts appropriated in chapter 2 as  
7 follows:

8 “Military Personnel, Army”, \$70,000,000.

9 “National Guard Personnel, Army”,  
10 \$13,183,000.

11 “Defense Health Program”, \$26,817,000.

12 SEC. 1325. The Secretary of Defense, notwith-  
13 standing any other provision of law, acting through the  
14 Office of Economic Adjustment or the Office of Depend-  
15 ents Education of the Department of Defense, shall use  
16 not less than \$10,000,000 of funds made available in this  
17 title under the heading “Operations and Maintenance, De-  
18 fense-Wide” to make grants and supplement other Federal  
19 funds to provide special assistance to local education agen-  
20 cies in districts adversely affected by significant changes  
21 in the military population.

22 SEC. 1326. (a) FINDINGS.—Congress finds the fol-  
23 lowing:

1           (1) Congress has appropriated over \$15 billion  
2           to train and equip the security forces of Iraq since  
3           April 2004.

4           (2) The Administration has reported in the  
5           March 2007 report entitled “Measuring Stability  
6           and Security in Iraq” that the number of Iraqi secu-  
7           rity forces nearing combat proficiency is 328,700.

8           (3) The Iraqi security forces continue to be  
9           trained to achieve the highest level of combat effi-  
10          ciency in order to provide for the security and sta-  
11          bility of the Iraqi people.

12          (b) SENSE OF CONGRESS.—It is the sense of Con-  
13          gress that—

14               (1) as battalions of the Iraqi security forces  
15               achieve a level of combat proficiency such that they  
16               can conduct independent combat operations without  
17               support from Coalition forces in Iraq, units of the  
18               United States Armed Forces should be redeployed  
19               from Iraq; and

20               (2) regular, accurate accounts of the combat  
21               proficiency of battalions of the Iraqi security forces  
22               are necessary for the American public to gauge the  
23               development of the Iraqi security forces.

24          (c) REPORT ON COMBAT PROFICIENCY OF IRAQI SE-  
25          CURITY FORCES.—The President shall transmit to the ap-

1 appropriate congressional committees each month a report  
2 in classified and unclassified form that contains an ac-  
3 counting of the number of battalions of the security forces  
4 of Iraq at each level of combat proficiency described in  
5 subsection (d).

6 (d) LEVELS OF COMBAT PROFICIENCY.—The levels  
7 of combat proficiency referred to in subsection (c) are the  
8 following:

9 (1) Level 1 means a battalion that can conduct  
10 independent combat operations without support from  
11 Coalition forces in Iraq.

12 (2) Level 2 means a battalion that can conduct  
13 independent combat operations, but only with  
14 logistical support, or non-combat-related support  
15 from Coalition forces in Iraq.

16 (3) Level 3 means a battalion that can partici-  
17 pate in combat operations alongside Coalition forces,  
18 but cannot conduct independent combat operations  
19 without direct combat support from Coalition forces  
20 in Iraq.

21 (4) Level 4 means a battalion that cannot par-  
22 ticipate in combat operations, even with support  
23 from Coalition forces in Iraq.

1 (e) COMPARISON OF DATA.—The report shall include  
2 a comparison of data from each previous report with re-  
3 spect to each battalion of the security forces of Iraq.

4 (f) PUBLIC NOTIFICATION.—The President shall en-  
5 sure that the unclassified form of each report required by  
6 this section is made available on the main public Internet  
7 Web site of the Department of Defense not later than 10  
8 days after the date on which the report is transmitted to  
9 the appropriate congressional committees, and that a link  
10 to the accounting in the report is made available on the  
11 homepage of such Internet Web site.

12 (g) DEFINITION.—As used in this section, the term  
13 “appropriate congressional committees” means—

14 (1) the Committee on Appropriations, the Com-  
15 mittee on Armed Services, and the Permanent Select  
16 Committee on Intelligence of the House of Rep-  
17 resentatives; and

18 (2) the Committee on Appropriations, the Com-  
19 mittee on Armed Services, and the Select Committee  
20 on Intelligence of the Senate.

21 (h) EFFECTIVE DATE.—The requirement to transmit  
22 and make available reports under this section shall apply  
23 with respect to the first month beginning after the date  
24 of the enactment of this division and to each subsequent  
25 month thereafter until the President determines and cer-

1 tifies to the appropriate congressional committees that the  
2 security forces of Iraq have achieved combat proficiency  
3 to the extent necessary to combat the insurgency in Iraq.

4       SEC. 1327. (a) Congress finds that it is Defense De-  
5 partment policy that units should not be deployed for com-  
6 bat unless they are rated “fully mission capable”.

7       (b) None of the funds appropriated or otherwise  
8 made available in this or any other Act may be used to  
9 deploy any unit of the Armed Forces to Iraq unless the  
10 President has certified in writing to the Committees on  
11 Appropriations and the Committees on Armed Services at  
12 least 15 days in advance of the deployment that the unit  
13 is fully mission capable.

14       (c) For purposes of subsection (b), the term “fully  
15 mission capable” means capable of performing assigned  
16 mission essential tasks to prescribed standards under the  
17 conditions expected in the theater of operations, consistent  
18 with the guidelines set forth in the Department of Defense  
19 readiness reporting system.

20       (d) The President, by certifying in writing to the  
21 Committees on Appropriations and the Committees on  
22 Armed Services that the deployment to Iraq of a unit that  
23 is not assessed fully mission capable is required for rea-  
24 sons of national security and by submitting along with the  
25 certification a report in classified and unclassified form

1 detailing the particular reason or reasons why the unit's  
2 deployment is necessary, may waive the limitation pre-  
3 scribed in subsection (b) on a unit-by-unit basis.

4       SEC. 1328. (a) Congress finds that it is Defense De-  
5 partment policy that Army, Army Reserve, and National  
6 Guard units should not be deployed for combat beyond  
7 365 days or that Marine Corps and Marine Corps Reserve  
8 units should not be deployed for combat beyond 210 days.

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

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

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

19       (c) The limitation prescribed in subsection (b) shall  
20 not be construed to require force levels in Iraq to be de-  
21 creased below the total United States force levels in Iraq  
22 prior to January 10, 2007.

23       (d) The President, by certifying in writing to the  
24 Committees on Appropriations and the Committees on  
25 Armed Services that the extension of a unit's deployment

1 in Iraq beyond the periods specified in subsection (b) is  
2 required for reasons of national security and by submit-  
3 ting along with the certification a report in classified and  
4 unclassified form detailing the particular reason or rea-  
5 sons why the unit's extended deployment is necessary, may  
6 waive the limitations prescribed in subsection (b) on a  
7 unit-by-unit basis.

8       SEC. 1329. (a) Congress finds that it is Defense De-  
9 partment policy that Army, Army Reserve, and National  
10 Guard units should not be redeployed for combat if the  
11 unit has been deployed within the previous 365 consecu-  
12 tive days or that Marine Corps and Marine Corps Reserve  
13 units should not be redeployed for combat if the unit has  
14 been deployed within the previous 210 days.

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

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

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

1           (c) The limitation prescribed in subsection (b) shall  
2 not be construed to require force levels in Iraq to be de-  
3 creased below the total United States force levels in Iraq  
4 prior to January 10, 2007.

5           (d) The President, by certifying in writing to the  
6 Committees on Appropriations and the Committees on  
7 Armed Services that the redeployment of a unit to Iraq  
8 in advance of the periods specified in subsection (b) is re-  
9 quired for reasons of national security and by submitting  
10 along with the certification a report in classified and un-  
11 classified form detailing the particular reason or reasons  
12 why the unit's redeployment is necessary, may waive the  
13 limitations prescribed in subsection (b) on a unit-by-unit  
14 basis.

15           SEC. 1330. The President shall transmit to the Con-  
16 gress a report in classified and unclassified form, on or  
17 before July 13, 2007, detailing—

18                   (1) the progress the Government of Iraq has  
19           made in—

20                           (A) giving the United States Armed Forces  
21                           and Iraqi Security Forces the authority to pur-  
22                           sue all extremists, including Sunni insurgents  
23                           and Shiite militias;

1 (B) delivering necessary Iraqi Security  
2 Forces for Baghdad and protecting such Forces  
3 from political interference;

4 (C) intensifying efforts to build balanced  
5 security forces throughout Iraq that provide  
6 even-handed security for all Iraqis;

7 (D) ensuring that Iraq's political authori-  
8 ties are not undermining or making false accu-  
9 sations against members of the Iraqi Security  
10 Forces;

11 (E) eliminating militia control of local se-  
12 curity;

13 (F) establishing a strong militia disar-  
14 mament program;

15 (G) ensuring fair and just enforcement of  
16 laws;

17 (H) establishing political, media, economic,  
18 and service committees in support of the Bagh-  
19 dad Security Plan;

20 (I) eradicating safe havens;

21 (J) reducing the level of sectarian violence  
22 in Iraq; and

23 (K) ensuring that the rights of minority  
24 political parties in the Iraqi Parliament are pro-  
25 tected; and

1 (2) whether the Government of Iraq has—

2 (A) enacted a broadly accepted hydro-car-  
3 bon law that equitably shares oil revenues  
4 among all Iraqis;

5 (B) adopted legislation necessary for the  
6 conduct of provincial and local elections, taken  
7 steps to implement such legislation, and set a  
8 schedule to conduct provincial and local elec-  
9 tions;

10 (C) reformed current laws governing the  
11 de-Baathification process to allow for more eq-  
12 uitable treatment of individuals affected by  
13 such laws;

14 (D) amended the Constitution of Iraq con-  
15 sistent with the principles contained in article  
16 137 of such Constitution; and

17 (E) allocated and begun expenditure of  
18 \$10 billion in Iraqi revenues for reconstruction  
19 projects, including delivery of essential services,  
20 on an equitable basis.

21 SEC. 1331. (a) LIMITATION ON AVAILABILITY OF  
22 FUNDS.—None of the funds provided by chapter 2 shall  
23 be available for obligation or expenditure unless—

1           (1) the President submits to the Congress, on  
2           or before July 13, 2007, the report required by sec-  
3           tion 1330; and

4           (2) a joint resolution of approval is enacted into  
5           law.

6           (b) JOINT RESOLUTION OF APPROVAL.—For pur-  
7           poses of this section, the term “joint resolution of ap-  
8           proval” means a joint resolution that is introduced by the  
9           chairman of the Committee on Appropriations of the  
10          House of Representatives or the Senate on the first legis-  
11          lative day following the date on which the report of the  
12          President required by section 1330 is received by the Con-  
13          gress, does not contain a preamble, and the sole matter  
14          after the resolving clause of which (other than as a result  
15          of the adoption of an amendment permitted under sub-  
16          section (f)) is as follows: “That the Congress approves the  
17          obligation and expenditure of funds provided by chapter  
18          2 of title I of the U.S. Troop Readiness, Veterans’ Care,  
19          Katrina Recovery, and Iraq Accountability Appropriations  
20          Act, 2007.”.

21          (c) REFERRAL TO COMMITTEES.—A joint resolution  
22          of approval introduced in the House of Representatives  
23          shall be referred to the Committee on Appropriations of  
24          the House, and a joint resolution of approval introduced

1 in the Senate shall be referred to the Committee on Appro-  
2 priations of the Senate.

3 (d) CONSIDERATION BY COMMITTEES.—A joint reso-  
4 lution of approval shall not be subject to amendment dur-  
5 ing consideration by the Committee on Appropriations of  
6 the House of Representatives or the Senate.

7 (e) DISCHARGE OF COMMITTEES.—If the committee  
8 of either House to which a joint resolution of approval has  
9 been referred has not reported the joint resolution at the  
10 end of 4 legislative days after its introduction, the com-  
11 mittee shall be discharged from further consideration of  
12 the joint resolution, and the joint resolution shall be placed  
13 on the appropriate calendar of the House involved.

14 (f) FLOOR CONSIDERATION IN HOUSE OF REP-  
15 RESENTATIVES.—For purposes of the House of Rep-  
16 resentatives:

17 (1) IN GENERAL.—Not later than the second  
18 legislative day following the date on which the Com-  
19 mittee on Appropriations has reported (or has been  
20 discharged from further consideration of) a joint res-  
21 olution of approval, the Speaker shall, pursuant to  
22 clause 2(b) of rule XVIII, declare the House re-  
23 solved into the Committee of the Whole House on  
24 the state of the Union for consideration of the joint  
25 resolution. The first reading of the joint resolution

1 shall be dispensed with. All points of order against  
2 the joint resolution and against its consideration  
3 shall be waived. General debate shall be confined to  
4 the joint resolution and shall not exceed 2 hours  
5 equally divided and controlled by the chairman and  
6 ranking minority member of the Committee on Ap-  
7 propriations. After general debate, the joint resolu-  
8 tion shall be considered for amendment under the 5-  
9 minute rule. No amendment to the joint resolution  
10 shall be in order, except the amendment specified in  
11 paragraph (2). Such amendment shall be considered  
12 as read, shall be debatable for 2 hours equally di-  
13 vided and controlled by the proponent and an oppo-  
14 nent, shall not be subject to amendment, and shall  
15 not be subject to a demand for division of the ques-  
16 tion in the House or in the Committee of the Whole.  
17 All points of order against such amendment are  
18 waived. At the conclusion of consideration of the  
19 joint resolution for amendment, the Committee shall  
20 rise and report the joint resolution to the House  
21 with such amendment as may have been adopted.  
22 The previous question shall be considered as ordered  
23 on the joint resolution and amendment thereto to  
24 final passage without intervening motion.

1           (2) PERMITTED AMENDMENT.—The amend-  
2           ment specified in paragraph (1) is an amendment  
3           the sole matter of which is as follows: providing that  
4           defense funding related to Iraq may only be used to  
5           plan and execute the redeployment of troops within  
6           180 days of enactment of the joint resolution of ap-  
7           proval, with the exception of troops who are pro-  
8           tecting American diplomatic facilities and American  
9           citizens (including members of the United States  
10          Armed Forces), serving in roles consistent with cus-  
11          tomary diplomatic positions, engaging in targeted  
12          special actions limited in duration and scope to kill-  
13          ing or capturing members of al-Qaeda and other ter-  
14          rorist organizations with global reach, or training  
15          and equipping members of the Iraqi Security Forces.

16          (3) PERMITTED MOTIONS.—During consider-  
17          ation of a joint resolution of approval—

18                 (A) the Chairman of the Committee of the  
19                 Whole may entertain a motion that the Com-  
20                 mittee rise only if offered by the chairman of  
21                 the Committee on Appropriations or a designee;  
22                 and

23                 (B) the Chairman of the Committee of the  
24                 Whole may not entertain any motion to strike

1 out the resolving words of the joint resolution  
2 (as described in clause 9 of rule XVIII).

3 (4) FURTHER CONSIDERATION.—If the Com-  
4 mittee of the Whole rises and reports that it has  
5 come to no resolution on a joint resolution of ap-  
6 proval, then on the next legislative day the House  
7 shall, immediately after the third daily order of busi-  
8 ness under clause 1 of rule XIV, resolve into the  
9 Committee on the Whole for further consideration of  
10 the joint resolution.

11 (5) APPEALS.—Appeals from the decisions of  
12 the Chair relating to the application of the rules of  
13 the House to the procedures relating to a joint reso-  
14 lution of approval shall be decided without debate.

15 (g) FLOOR CONSIDERATION IN SENATE.—For pur-  
16 poses of the Senate:

17 (1) IN GENERAL.—When the Committee on Ap-  
18 propriations has reported (or has been discharged  
19 from further consideration of) a joint resolution of  
20 approval, it shall be in order (even though a previous  
21 motion to the same effect has been disagreed to) for  
22 any Senator to move to proceed to the consideration  
23 of the joint resolution. All points of order against  
24 the joint resolution (and against consideration of the  
25 joint resolution) shall be waived. The motion shall be

1 privileged and not debatable. The motion shall not  
2 be subject to amendment, a motion to postpone, or  
3 a motion to proceed to the consideration of other  
4 business. A motion to reconsider the vote by which  
5 the motion is agreed to or disagreed to shall not be  
6 in order. If a motion to proceed to the consideration  
7 of the joint resolution is agreed to, the joint resolu-  
8 tion shall remain the unfinished business of the Sen-  
9 ate until disposed of.

10 (2) DEBATE.—Debate on a joint resolution of  
11 approval, and on all debatable motions and appeals  
12 in connection therewith, shall be limited to not more  
13 than 10 hours, which shall be equally divided and  
14 controlled by the chairman and ranking minority  
15 member of the Committee on Appropriations. A mo-  
16 tion to further limit debate shall be in order and  
17 shall not be debatable, but such motion shall not be  
18 in order until after 5 hours of debate. An amend-  
19 ment to the joint resolution shall not be in order. A  
20 motion to table, postpone, proceed to other business,  
21 or recommit the joint resolution shall not be in  
22 order. A motion to reconsider the vote by which the  
23 joint resolution is agreed to or disagreed to shall not  
24 be in order.

1           (3) FINAL PASSAGE.—Immediately following  
2 the conclusion of the debate on a joint resolution of  
3 approval, and a single quorum call at the conclusion  
4 of the debate if requested in accordance with the  
5 rules of the Senate, the vote on final passage of the  
6 joint resolution shall occur.

7           (4) APPEALS.—Appeals from the decisions of  
8 the Chair relating to the application of the rules of  
9 the Senate relating to the procedures relating to a  
10 joint resolution of approval shall be decided without  
11 debate.

12           (h) CONSIDERATION BY SENATE AFTER PASSAGE BY  
13 HOUSE OF REPRESENTATIVES.—

14           (1) PRIOR TO SENATE PASSAGE.—If, before  
15 passage by the Senate of a joint resolution of ap-  
16 proval of the Senate, the Senate receives from the  
17 House of Representatives a joint resolution of ap-  
18 proval, then the following procedures shall apply:

19                   (A) The joint resolution of the House shall  
20 not be referred to a committee.

21                   (B) With respect to a joint resolution of  
22 approval of the Senate—

23                           (i) the procedure in the Senate shall  
24 be the same as if no joint resolution had  
25 been received from the House; but

1 (ii) the vote on final passage shall be  
2 on the joint resolution of the House.

3 (C) Upon disposition of the joint resolution  
4 received from the House, it shall no longer be  
5 in order to consider the joint resolution that  
6 originated in the Senate.

7 (2) FOLLOWING SENATE PASSAGE.—If the Sen-  
8 ate receives from the House of Representatives a  
9 joint resolution of approval after the Senate has dis-  
10 posed of a Senate originated joint resolution, and  
11 the matter after the resolving clauses of the 2 joint  
12 resolutions are identical, the action of the Senate  
13 with regard to the disposition of the Senate origi-  
14 nated joint resolution shall be deemed to be the ac-  
15 tion of the Senate with regard to the House origi-  
16 nated joint resolution.

17 (i) RULES OF HOUSE OF REPRESENTATIVES AND  
18 SENATE.—Subsections (b) through (h) are enacted by the  
19 Congress—

20 (1) as an exercise of the rulemaking power of  
21 the House of Representatives and the Senate, re-  
22 spectively, and as such is deemed a part of the rules  
23 of each House, respectively, and such procedures su-  
24 persede other rules only to the extent that they are  
25 inconsistent with such other rules; and

1           (2) with the full recognition of the constitu-  
2           tional right of either House to change the rules (so  
3           far as relating to the procedures of that House) at  
4           any time, in the same manner, and to the same ex-  
5           tent as any other rule of that House.

6   **TITLE            II—OTHER            INTER-**  
7   **NATIONAL AND SECURITY-RE-**  
8   **LATED FUNDING**

9                           **CHAPTER 1**

10                           DEPARTMENT OF JUSTICE

11                           LEGAL ACTIVITIES

12   SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

13           For an additional amount for “Salaries and Ex-  
14   penses, General Legal Activities”, \$1,648,000, to remain  
15   available until September 30, 2008.

16   SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

17           For an additional amount for “Salaries and Ex-  
18   penses, United States Attorneys”, \$5,000,000, to remain  
19   available until September 30, 2008.

20                           UNITED STATES MARSHALS SERVICE

21                           SALARIES AND EXPENSES

22           For an additional amount for “Salaries and Ex-  
23   penses”, \$6,450,000, to remain available until September  
24   30, 2008.

## 1 NATIONAL SECURITY DIVISION

## 2 SALARIES AND EXPENSES

3 For an additional amount for “Salaries and Ex-  
4 penses”, \$1,736,000, to remain available until September  
5 30, 2008.

## 6 FEDERAL BUREAU OF INVESTIGATION

## 7 SALARIES AND EXPENSES

8 For an additional amount for “Salaries and Ex-  
9 penses”, \$268,000,000, of which \$258,000,000 is to re-  
10 main available until September 30, 2008 and \$10,000,000  
11 is to remain available until expended to implement correc-  
12 tive actions in response to the findings and recommenda-  
13 tions in the Department of Justice Office of Inspector  
14 General report entitled, “A Review of the Federal Bureau  
15 of Investigation’s Use of National Security Letters”, of  
16 which \$500,000 shall be transferred to and merged with  
17 “Department of Justice, Office of the Inspector General”.

## 18 DRUG ENFORCEMENT ADMINISTRATION

## 19 SALARIES AND EXPENSES

20 For an additional amount for “Salaries and Ex-  
21 penses”, \$12,166,000, to remain available until September  
22 30, 2008.

1 BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND  
2 EXPLOSIVES  
3 SALARIES AND EXPENSES

4 For an additional amount for “Salaries and Ex-  
5 penses”, \$4,000,000, to remain available until September  
6 30, 2008.

7 FEDERAL PRISON SYSTEM  
8 SALARIES AND EXPENSES

9 For an additional amount for “Salaries and Ex-  
10 penses”, \$17,000,000, to remain available until September  
11 30, 2008.

12 **CHAPTER 2**

13 DEPARTMENT OF ENERGY  
14 ATOMIC ENERGY DEFENSE ACTIVITIES  
15 NATIONAL NUCLEAR SECURITY ADMINISTRATION  
16 DEFENSE NUCLEAR NONPROLIFERATION

17 For an additional amount for “Defense Nuclear Non-  
18 proliferation”, \$150,000,000, to remain available until ex-  
19 pended.

20 GENERAL PROVISION—THIS CHAPTER  
21 (TRANSFER OF FUNDS)

22 SEC. 2201. The Administrator of the National Nu-  
23 clear Security Administration is authorized to transfer up  
24 to \$1,000,000 from Defense Nuclear Nonproliferation to

1 the Office of the Administrator during fiscal year 2007  
2 supporting nuclear nonproliferation activities.

### 3 **CHAPTER 3**

#### 4 DEPARTMENT OF HOMELAND SECURITY

##### 5 ANALYSIS AND OPERATIONS

6 For an additional amount for “Analysis and Oper-  
7 ations”, \$15,000,000, to remain available until September  
8 30, 2008, to be used for support of the State and Local  
9 Fusion Center program.

#### 10 UNITED STATES CUSTOMS AND BORDER PROTECTION

##### 11 SALARIES AND EXPENSES

##### 12 (INCLUDING TRANSFER OF FUNDS)

13 For an additional amount for “Salaries and Ex-  
14 penses”, \$115,000,000, to remain available until Sep-  
15 tember 30, 2008, to be used to increase the number of  
16 officers, intelligence analysts and support staff responsible  
17 for container security inspections, and for other efforts to  
18 improve supply chain security: *Provided*, That up to  
19 \$5,000,000 shall be transferred to Federal Law Enforce-  
20 ment Training Center “Salaries and Expenses”, for basic  
21 training costs.

##### 22 AIR AND MARINE INTERDICTION, OPERATIONS,

##### 23 MAINTENANCE, AND PROCUREMENT

24 For an additional amount for “Air and Marine Inter-  
25 diction, Operations, Maintenance, and Procurement”, for  
26 air and marine operations on the Northern Border, includ-

1 ing the final Northern Border air wing, \$120,000,000, to  
2 remain available until September 30, 2008.

3 UNITED STATES IMMIGRATION AND CUSTOMS

4 ENFORCEMENT

5 SALARIES AND EXPENSES

6 For an additional amount for “Salaries and Ex-  
7 penses”, \$10,000,000, to remain available until September  
8 30, 2008.

9 TRANSPORTATION SECURITY ADMINISTRATION

10 AVIATION SECURITY

11 For an additional amount for “Aviation Security”,  
12 \$970,000,000; of which \$815,000,000 shall be for pro-  
13 curement and installation of checked baggage explosives  
14 detection systems, to remain available until expended; of  
15 which \$45,000,000 shall be for expansion of checkpoint  
16 explosives detection pilot systems, to remain available until  
17 expended; and of which \$110,000,000 shall be for air  
18 cargo security, to remain available until September 30,  
19 2009.

20 FEDERAL AIR MARSHALS

21 For an additional amount for “Federal Air Mar-  
22 shals”, \$8,000,000, to remain available until September  
23 30, 2008.

1 NATIONAL PROTECTION AND PROGRAMS  
2 INFRASTRUCTURE PROTECTION AND INFORMATION  
3 SECURITY

4 For an additional amount for “Infrastructure Protec-  
5 tion and Information Security”, \$37,000,000, to remain  
6 available until September 30, 2008.

7 OFFICE OF HEALTH AFFAIRS

8 For an additional amount for “Office of Health Af-  
9 fairs” for nuclear event public health assessment and plan-  
10 ning and other activities, \$15,000,000, to remain available  
11 until September 30, 2008.

12 FEDERAL EMERGENCY MANAGEMENT AGENCY  
13 MANAGEMENT AND ADMINISTRATION

14 For expenses for management and administration of  
15 the Federal Emergency Management Agency,  
16 \$25,000,000, to remain available until September 30,  
17 2008: *Provided*, That none of such funds made available  
18 under this heading may be obligated until the Committees  
19 on Appropriations of the Senate and the House of Rep-  
20 resentatives receive and approve a plan for expenditure:  
21 *Provided further*, That unobligated amounts in the “Ad-  
22 ministrative and Regional Operations” and “Readiness,  
23 Mitigation, Response, and Recovery” accounts shall be  
24 transferred to “Management and Administration” and

1 may be used for any purpose authorized for such amounts  
2 and subject to limitation on the use of such amounts.

3 STATE AND LOCAL PROGRAMS

4 For an additional amount for “State and Local Pro-  
5 grams”, \$552,500,000; of which \$190,000,000 shall be for  
6 port security grants pursuant to section 70107(l) of title  
7 46, United States Code; of which \$325,000,000 shall be  
8 for intercity rail passenger transportation, freight rail, and  
9 transit security grants; of which \$35,000,000 shall be for  
10 regional grants and regional technical assistance to high  
11 risk urban areas for catastrophic event planning and pre-  
12 paredness; and of which \$2,500,000 shall be for technical  
13 assistance: *Provided*, That none of the funds made avail-  
14 able under this heading may be obligated for such regional  
15 grants and regional technical assistance until the Commit-  
16 tees on Appropriations of the Senate and the House of  
17 Representatives receive and approve a plan for expendi-  
18 ture: *Provided further*, That funds for such regional grants  
19 and regional technical assistance shall remain available  
20 until September 30, 2008.

21 EMERGENCY MANAGEMENT PERFORMANCE GRANTS

22 For an additional amount for “Emergency Manage-  
23 ment Performance Grants”, \$100,000,000.



1           DOMESTIC NUCLEAR DETECTION OFFICE  
2           RESEARCH, DEVELOPMENT, AND OPERATIONS

3           For an additional amount for “Research, Develop-  
4 ment, and Operations” for non-container, rail, aviation  
5 and intermodal radiation detection activities,  
6 \$39,000,000, to remain available until expended.

7                                   SYSTEMS ACQUISITION

8           For an additional amount for “Systems Acquisition”,  
9 \$223,500,000, to remain available until expended: *Pro-*  
10 *vided*, That none of the funds appropriated under this  
11 heading shall be obligated for full scale procurement of  
12 Advanced Spectroscopic Portal Monitors until the Sec-  
13 retary of Homeland Security has certified through a re-  
14 port to the Committees on Appropriations of the Senate  
15 and the House of Representatives that a significant in-  
16 crease in operational effectiveness will be achieved.

17           GENERAL PROVISIONS—THIS CHAPTER

18           SEC. 2301. (a) AMENDMENTS.—Section 550 of the  
19 Department of Homeland Security Appropriations Act,  
20 2007 (6 U.S.C. 121 note) is amended by—

21                   (1) in subsection (c), by striking “consistent  
22 with similar” and inserting “identical to the protec-  
23 tions given”;

24                   (2) in subsection (c), by striking “, site security  
25 plans, and other information submitted to or ob-  
26 tained by the Secretary under this section, and re-

1 lated vulnerability or security information, shall be  
2 treated as if the information were classified mate-  
3 rial” and inserting “and site security plans shall be  
4 treated as sensitive security information (as that  
5 term is used in section 1520.5 of title 49, Code of  
6 Federal Regulations, or any subsequent regulations  
7 relating to the same matter)”; and

8 (3) by adding at the end of the section the fol-  
9 lowing:

10 “(h) This section shall not preclude or deny any right  
11 of any State or political subdivision thereof to adopt or  
12 enforce any regulation, requirement, or standard of per-  
13 formance with respect to chemical facility security that is  
14 more stringent than a regulation, requirement, or stand-  
15 ard of performance issued under this section, or otherwise  
16 impair any right or jurisdiction of any State with respect  
17 to chemical facilities within that State.”.

18 (b) REGULATORY CLARIFICATION.—Not later than  
19 60 days after the date of the enactment of this division,  
20 the Secretary of Homeland Security shall update the regu-  
21 lations administered by the Secretary that govern sensitive  
22 security information, including 49 CFR 1520, to ensure  
23 the protection of all information required to be protected  
24 under section 550(c) of the Department of Homeland Se-

1 curity Appropriations Act, 2007 (6 U.S.C. 121 note), as  
2 amended by paragraph (a).

3 SEC. 2302. None of the funds provided in this divi-  
4 sion, or Public Law 109–295, shall be available to carry  
5 out section 872 of Public Law 107–296.

6 SEC. 2303. The Secretary of Homeland Security shall  
7 require that all contracts of the Department of Homeland  
8 Security that provide award fees link such fees to success-  
9 ful acquisition outcomes (which outcomes shall be speci-  
10 fied in terms of cost, schedule, and performance).

## 11 **CHAPTER 4**

### 12 LEGISLATIVE BRANCH

#### 13 HOUSE OF REPRESENTATIVES

##### 14 SALARIES AND EXPENSES

15 For an additional amount for “Salaries and Ex-  
16 penses”, \$6,437,000, as follows:

##### 17 ALLOWANCES AND EXPENSES

18 For an additional amount for allowances and ex-  
19 penses as authorized by House resolution or law,  
20 \$6,437,000 for business continuity and disaster recovery,  
21 to remain available until expended.

1 GOVERNMENT ACCOUNTABILITY OFFICE  
2 SALARIES AND EXPENSES

3 For an additional amount for “Salaries and Ex-  
4 penses” of the Government Accountability Office,  
5 \$374,000, to remain available until September 30, 2008.

6 **CHAPTER 5**

7 DEPARTMENT OF DEFENSE

8 MILITARY CONSTRUCTION, ARMY

9 For an additional amount for “Military Construction,  
10 Army”, \$1,255,890,000, to remain available until Sep-  
11 tember 30, 2008: *Provided*, That notwithstanding any  
12 other provision of law, such funds may be obligated and  
13 expended to carry out planning and design and military  
14 construction projects not otherwise authorized by law:  
15 *Provided further*, That of the funds provided under this  
16 heading, not to exceed \$173,700,000 shall be available for  
17 study, planning, design, and architect and engineer serv-  
18 ices: *Provided further*, That of the funds made available  
19 under this heading, \$369,690,000 shall not be obligated  
20 or expended until the Secretary of Defense submits a de-  
21 tailed report explaining how military road construction is  
22 coordinated with NATO and coalition nations: *Provided*  
23 *further*, That of the funds made available under this head-  
24 ing, \$401,700,000 shall not be obligated or expended until  
25 the Secretary of Defense submits a detailed stationing

1 plan to support Army end-strength growth to the Commit-  
2 tees on Appropriations of the House of Representatives  
3 and Senate: *Provided further*, That of the funds provided  
4 under this heading, \$274,800,000 shall not be obligated  
5 or expended until the Secretary of Defense certifies that  
6 none of the funds are to be used for the purpose of pro-  
7 viding facilities for the permanent basing of United States  
8 military personnel in Iraq.

9 MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

10 For an additional amount for “Military Construction,  
11 Navy and Marine Corps”, \$370,990,000, to remain avail-  
12 able until September 30, 2008: *Provided*, That notwith-  
13 standing any other provision of law, such funds may be  
14 obligated and expended to carry out planning and design  
15 and military construction projects not otherwise author-  
16 ized by law: *Provided further*, That of the funds provided  
17 under this heading, not to exceed \$49,600,000 shall be  
18 available for study, planning, design, and architect and en-  
19 gineer services: *Provided further*, That of the funds made  
20 available under this heading, \$324,270,000 shall not be  
21 obligated or expended until the Secretary of Defense sub-  
22 mits a detailed stationing plan to support Marine Corps  
23 end-strength growth to the Committees on Appropriations  
24 of the House of Representatives and Senate.



1 equivalent medical facilities at the Walter Reed National  
2 Military Medical Center at Naval Medical Center, Be-  
3 thesda, Maryland, and/or the Fort Belvoir, Virginia, Com-  
4 munity Hospital have been constructed and equipped: *Pro-*  
5 *vided*, That to ensure that the quality of care provided  
6 by the Military Health System is not diminished during  
7 this transition, the Walter Reed Army Medical Center  
8 shall be adequately funded, to include necessary renova-  
9 tion and maintenance of existing facilities, to maintain the  
10 maximum level of inpatient and outpatient services.

11       SEC. 2502. Notwithstanding any other provision of  
12 law, none of the funds in this or any other Act shall be  
13 used to reorganize or relocate the functions of the Armed  
14 Forces Institute of Pathology (AFIP) until the Secretary  
15 of Defense has submitted, not later than December 31,  
16 2007, a detailed plan and timetable for the proposed reor-  
17 ganization and relocation to the Committees on Appro-  
18 priations and Armed Services of the Senate and House  
19 of Representatives. The plan shall take into consideration  
20 the recommendations of a study being prepared by the  
21 Government Accountability Office (GAO), provided that  
22 such study is available not later than 45 days before the  
23 date specified in this section, on the impact of dispersing  
24 selected functions of AFIP among several locations, and  
25 the possibility of consolidating those functions at one loca-

1 tion. The plan shall include an analysis of the options for  
 2 the location and operation of the Program Management  
 3 Office for second opinion consults that are consistent with  
 4 the recommendations of the Base Realignment and Clo-  
 5 sure Commission, together with the rationale for the op-  
 6 tion selected by the Secretary.

7 **CHAPTER 6**

8 DEPARTMENT OF STATE AND RELATED

9 AGENCY

10 DEPARTMENT OF STATE

11 ADMINISTRATION OF FOREIGN AFFAIRS

12 DIPLOMATIC AND CONSULAR PROGRAMS

13 (INCLUDING TRANSFER OF FUNDS)

14 For an additional amount for “Diplomatic and Con-  
 15 sular Programs”, \$870,658,000, to remain available until  
 16 September 30, 2008, of which \$96,500,000 for World  
 17 Wide Security Upgrades is available until expended: *Pro-*  
 18 *vided*, That of the funds appropriated under this heading,  
 19 not more than \$20,000,000 shall be made available for  
 20 public diplomacy programs: *Provided further*, That prior  
 21 to the obligation of funds pursuant to the previous proviso,  
 22 the Secretary of State shall submit a report to the Com-  
 23 mittees on Appropriations describing a comprehensive  
 24 public diplomacy strategy, with goals and expected results,  
 25 for fiscal years 2007 and 2008: *Provided further*, That of  
 26 the amount available under this heading, \$258,000 shall

1 be transferred to, and merged with, funds available in fis-  
2 cal year 2007 for expenses for the United States Commis-  
3 sion on International Religious Freedom: *Provided further*,  
4 That 20 percent of the amount available for Iraq oper-  
5 ations shall not be obligated until the Committees on Ap-  
6 propriations receive and approve a detailed plan for ex-  
7 penditure, prepared by the Secretary of State, and sub-  
8 mitted within 60 days after the date of enactment of this  
9 division: *Provided further*, That within 15 days of enact-  
10 ment of this division, the Office of Management and  
11 Budget shall apportion \$15,000,000 from amounts appro-  
12 priated or otherwise made available by chapter 8 of title  
13 II of division B of Public Law 109–148 under the heading  
14 “Emergencies in the Diplomatic and Consular Service” for  
15 emergency evacuations: *Provided further*, That of the  
16 amount made available under this heading for Iraq, not  
17 to exceed \$20,000,000 may be transferred to, and merged  
18 with, funds in the “Emergencies in the Diplomatic and  
19 Consular Service” appropriations account, to be available  
20 only for terrorism rewards.

21 OFFICE OF THE INSPECTOR GENERAL

22 (INCLUDING TRANSFER OF FUNDS)

23 For an additional amount for “Office of Inspector  
24 General”, \$36,500,000, to remain available until Decem-  
25 ber 31, 2008: *Provided*, That \$35,000,000 shall be trans-

1 ferred to the Special Inspector General for Iraq Recon-  
2 struction for reconstruction oversight.

3 EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

4 For an additional amount for “Educational and Cul-  
5 tural Exchange Programs”, \$20,000,000, to remain avail-  
6 able until expended.

7 INTERNATIONAL ORGANIZATIONS

8 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

9 For an additional amount for “Contributions to  
10 International Organizations”, \$50,000,000, to remain  
11 available until September 30, 2008.

12 CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING

13 ACTIVITIES

14 For an additional amount for “Contributions for  
15 International Peacekeeping Activities”, \$288,000,000, to  
16 remain available until September 30, 2008.

17 RELATED AGENCY

18 BROADCASTING BOARD OF GOVERNORS

19 INTERNATIONAL BROADCASTING OPERATIONS

20 For an additional amount for “International Broad-  
21 casting Operations” for activities related to broadcasting  
22 to the Middle East, \$10,000,000, to remain available until  
23 September 30, 2008.

1           BILATERAL ECONOMIC ASSISTANCE  
2           FUNDS APPROPRIATED TO THE PRESIDENT  
3           UNITED STATES AGENCY FOR INTERNATIONAL  
4                           DEVELOPMENT  
5           CHILD SURVIVAL AND HEALTH PROGRAMS FUND  
6                           (INCLUDING TRANSFER OF FUNDS)

7           For an additional amount for “Child Survival and  
8 Health Programs Fund”, \$161,000,000, to remain avail-  
9 able until September 30, 2008: *Provided*, That notwith-  
10 standing any other provision of law, if the President deter-  
11 mines and reports to the Committees on Appropriations  
12 that the human-to-human transmission of the avian influ-  
13 enza virus is efficient and sustained, and is spreading  
14 internationally, funds made available under the heading  
15 “Millennium Challenge Corporation” and “Global HIV/  
16 AIDS Initiative” in prior Acts making appropriations for  
17 foreign operations, export financing, and related programs  
18 may be transferred to, and merged with, funds made avail-  
19 able under this heading to combat avian influenza: *Pro-*  
20 *vided further*, That funds made available pursuant to the  
21 authority of the previous proviso shall be subject to the  
22 regular notification procedures of the Committees on Ap-  
23 propriations.

## 1 INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

2 For an additional amount for “International Disaster  
3 and Famine Assistance”, \$165,000,000, to remain avail-  
4 able until expended.

## 5 OPERATING EXPENSES OF THE UNITED STATES AGENCY

## 6 FOR INTERNATIONAL DEVELOPMENT

7 For an additional amount for “Operating Expenses  
8 of the United States Agency for International Develop-  
9 ment”, \$8,700,000, to remain available until September  
10 30, 2008.

## 11 OPERATING EXPENSES OF THE UNITED STATES AGENCY

## 12 FOR INTERNATIONAL DEVELOPMENT OFFICE OF IN-

## 13 SPECTOR GENERAL

14 For an additional amount for “Operating Expenses  
15 of the United States Agency for International Develop-  
16 ment Office of Inspector General”, \$3,500,000, to remain  
17 available until September 30, 2008.

## 18 OTHER BILATERAL ECONOMIC ASSISTANCE

## 19 ECONOMIC SUPPORT FUND

20 For an additional amount for “Economic Support  
21 Fund”, \$2,649,300,000, to remain available until Sep-  
22 tember 30, 2008: *Provided*, That of the funds appro-  
23 priated under this heading, \$57,400,000 shall be made  
24 available to nongovernmental organizations in Iraq for  
25 economic and social development programs and activities  
26 in areas of conflict: *Provided further*, That the responsi-

1 bility for policy decisions and justifications for the use of  
2 funds appropriated by the previous proviso shall be the  
3 responsibility of the United States Chief of Mission in  
4 Iraq: *Provided further*, That none of the funds appro-  
5 priated under this heading in this division or in prior Acts  
6 making appropriations for foreign operations, export fi-  
7 nancing, and related programs may be made available for  
8 the Political Participation Fund and the National Institu-  
9 tions Fund: *Provided further*, That of the funds made  
10 available under the heading “Economic Support Fund” in  
11 Public Law 109–234 for Iraq to promote democracy, rule  
12 of law and reconciliation, \$2,000,000 should be made  
13 available for the United States Institute of Peace for pro-  
14 grams and activities in Afghanistan to remain available  
15 until September 30, 2008.

16 ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC  
17 STATES

18 For an additional amount for “Assistance for East-  
19 ern Europe and the Baltic States”, \$229,000,000, to re-  
20 main available until September 30, 2008, for assistance  
21 for Kosovo.

22 DEPARTMENT OF STATE  
23 DEMOCRACY FUND

24 For an additional amount for “Democracy Fund”,  
25 \$260,000,000, to remain available until September 30,  
26 2008: *Provided*, That of the funds appropriated under this

1 heading, not less than \$190,000,000 shall be made avail-  
2 able for the Human Rights and Democracy Fund of the  
3 Bureau of Democracy, Human Rights, and Labor, De-  
4 partment of State, and not less than \$60,000,000 shall  
5 be made available for the United States Agency for Inter-  
6 national Development, for democracy, human rights and  
7 rule of law programs in Iraq: *Provided further*, That not  
8 later than 60 days after enactment of this division, the  
9 Secretary of State shall submit a report to the Committees  
10 on Appropriations describing a comprehensive, long-term  
11 strategy, with goals and expected results, for strength-  
12 ening and advancing democracy in Iraq.

13 INTERNATIONAL NARCOTICS CONTROL AND LAW

14 ENFORCEMENT

15 (INCLUDING RESCISSION OF FUNDS)

16 For an additional amount for “International Nar-  
17 cotics Control and Law Enforcement”, \$257,000,000, to  
18 remain available until September 30, 2008.

19 Of the amounts made available for procurement of  
20 a maritime patrol aircraft for the Colombian Navy under  
21 this heading in Public Law 109–234, \$13,000,000 are re-  
22 scinded.

23 MIGRATION AND REFUGEE ASSISTANCE

24 For an additional amount for “Migration and Ref-  
25 ugee Assistance”, \$130,500,000, to remain available until

1 September 30, 2008, of which not less than \$5,000,000  
2 shall be made available to rescue Iraqi scholars.

3 UNITED STATES EMERGENCY REFUGEE AND MIGRATION  
4 ASSISTANCE FUND

5 For an additional amount for “United States Emer-  
6 gency Refugee and Migration Assistance Fund”,  
7 \$55,000,000, to remain available until expended.

8 NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND  
9 RELATED PROGRAMS

10 For an additional amount for “Nonproliferation,  
11 Anti-Terrorism, Demining and Related Programs”,  
12 \$57,500,000, to remain available until September 30,  
13 2008.

14 DEPARTMENT OF THE TREASURY

15 INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

16 For an additional amount for “International Affairs  
17 Technical Assistance”, \$2,750,000, to remain available  
18 until September 30, 2008.

19 MILITARY ASSISTANCE

20 FUNDS APPROPRIATED TO THE PRESIDENT

21 FOREIGN MILITARY FINANCING PROGRAM

22 For an additional amount for “Foreign Military Fi-  
23 nancing Program”, \$265,000,000, to remain available  
24 until September 30, 2008.

## 1 PEACEKEEPING OPERATIONS

2 For an additional amount for “Peacekeeping Oper-  
3 ations”, \$230,000,000, to remain available until Sep-  
4 tember 30, 2008: *Provided*, That of the funds appro-  
5 priated under this heading, not less than \$40,000,000  
6 shall be made available, notwithstanding section 660 of  
7 the Foreign Assistance Act of 1961, for assistance for Li-  
8 beria for security sector reform: *Provided further*, That not  
9 later than 30 days after enactment of this division and  
10 every 30 days thereafter until September 30, 2008, the  
11 Secretary of State shall submit a report to the Committees  
12 on Appropriations detailing the obligation and expenditure  
13 of funds made available under this heading in this division  
14 and in prior Acts making appropriations for foreign oper-  
15 ations, export financing, and related programs.

## 16 GENERAL PROVISIONS—THIS CHAPTER

## 17 AUTHORIZATION OF FUNDS

18 SEC. 2601. Funds appropriated by this title may be  
19 obligated and expended notwithstanding section 10 of  
20 Public Law 91–672 (22 U.S.C. 2412), section 15 of the  
21 State Department Basic Authorities Act of 1956 (22  
22 U.S.C. 2680), section 313 of the Foreign Relations Au-  
23 thorization Act, Fiscal Years 1994 and 1995 (22 U.S.C.  
24 6212), and section 504(a)(1) of the National Security Act  
25 of 1947 (50 U.S.C. 414(a)(1)).

## EXTENSION OF OVERSIGHT AUTHORITY

1           SEC. 2602. Section 3001(o)(1)(B) of the Emergency  
2 Supplemental Appropriations Act for Defense and for the  
3 Reconstruction of Iraq and Afghanistan, 2004 (Public  
4 Law 108–106; 117 Stat. 1238; 5 U.S.C. App., note to sec-  
5 tion 8G of Public Law 95–452), as amended by section  
6 1054(b) of the John Warner National Defense Authoriza-  
7 tion Act for Fiscal Year 2007 (Public Law 109–364; 120  
8 Stat. 2397) and section 2 of the Iraq Reconstruction Ac-  
9 countability Act of 2006 (Public Law 109–440), is amend-  
10 ed by inserting “or fiscal year 2007” after “fiscal year  
11 2006”.

## LEBANON

13           SEC. 2603. (a) LIMITATION ON ECONOMIC SUPPORT  
14 FUND ASSISTANCE FOR LEBANON.—None of the funds  
15 made available in this division under the heading “Eco-  
16 nomic Support Fund” for cash transfer assistance for the  
17 Government of Lebanon may be made available for obliga-  
18 tion until the Secretary of State reports to the Committees  
19 on Appropriations on Lebanon’s economic reform plan and  
20 on the specific conditions and verifiable benchmarks that  
21 have been agreed upon by the United States and the Gov-  
22 ernment of Lebanon pursuant to the Memorandum of Un-  
23 derstanding on cash transfer assistance for Lebanon.

24           (b) LIMITATION ON FOREIGN MILITARY FINANCING  
25 PROGRAM AND INTERNATIONAL NARCOTICS CONTROL  
26

1 AND LAW ENFORCEMENT ASSISTANCE FOR LEBANON.—  
2 None of the funds made available in this division under  
3 the heading “Foreign Military Financing Program” or  
4 “International Narcotics Control and Law Enforcement”  
5 for military or police assistance to Lebanon may be made  
6 available for obligation until the Secretary of State sub-  
7 mits to the Committees on Appropriations a report on pro-  
8 cedures established to determine eligibility of members  
9 and units of the armed forces and police forces of Lebanon  
10 to participate in United States training and assistance  
11 programs and on the end use monitoring of all equipment  
12 provided under such programs to the Lebanese armed  
13 forces and police forces.

14 (c) CERTIFICATION REQUIRED.—Prior to the initial  
15 obligation of funds made available in this division for as-  
16 sistance for Lebanon under the headings “Foreign Mili-  
17 tary Financing Program” and “Nonproliferation, Anti-  
18 Terrorism, Demining and Related Programs”, the Sec-  
19 retary of State shall certify to the Committees on Appro-  
20 priations that all practicable efforts have been made to  
21 ensure that such assistance is not provided to or through  
22 any individual, or private or government entity, that advo-  
23 cates, plans, sponsors, engages in, or has engaged in, ter-  
24 rorist activity.

1 (d) REPORT REQUIRED.—Not later than 45 days  
2 after the date of the enactment of this division, the Sec-  
3 retary of State shall submit to the Committees on Appro-  
4 priations a report on the Government of Lebanon’s actions  
5 to implement section 14 of United Nations Security Coun-  
6 cil Resolution 1701 (August 11, 2006).

7 (e) SPECIAL AUTHORITY.—This section shall be ef-  
8 fective notwithstanding section 534(a) of Public Law 109–  
9 102, which is made applicable to funds appropriated for  
10 fiscal year 2007 by the Continuing Appropriations Resolu-  
11 tion, 2007 (division B of Public Law 109–289, as amend-  
12 ed by Public Law 110–5).

13 DEBT RESTRUCTURING

14 SEC. 2604. Amounts appropriated for fiscal year  
15 2007 for “Bilateral Economic Assistance—Department of  
16 the Treasury—Debt Restructuring” may be used to assist  
17 Liberia in retiring its debt arrearages to the International  
18 Monetary Fund, the International Bank for Reconstruc-  
19 tion and Development, and the African Development  
20 Bank.

21 GOVERNMENT ACCOUNTABILITY OFFICE

22 SEC. 2605. To facilitate effective oversight of pro-  
23 grams and activities in Iraq by the Government Account-  
24 ability Office (GAO), the Department of State shall pro-  
25 vide GAO staff members the country clearances, life sup-  
26 port, and logistical and security support necessary for

1 GAO personnel to establish a presence in Iraq for periods  
2 of not less than 45 days.

3 HUMAN RIGHTS AND DEMOCRACY FUND

4 SEC. 2606. The Assistant Secretary of State for De-  
5 mocracy, Human Rights, and Labor shall be responsible  
6 for all policy, funding, and programming decisions regard-  
7 ing funds made available under this division and prior  
8 Acts making appropriations for foreign operations, export  
9 financing and related programs for the Human Rights and  
10 Democracy Fund of the Bureau of Democracy, Human  
11 Rights, and Labor.

12 INSPECTOR GENERAL OVERSIGHT OF IRAQ AND

13 AFGHANISTAN

14 SEC. 2607. (a) IN GENERAL.—Subject to paragraph  
15 (2), the Inspector General of the Department of State and  
16 the Broadcasting Board of Governors (referred to in this  
17 section as the “Inspector General”) may use personal  
18 services contracts to engage citizens of the United States  
19 to facilitate and support the Office of the Inspector Gen-  
20 eral’s oversight of programs and operations related to Iraq  
21 and Afghanistan. Individuals engaged by contract to per-  
22 form such services shall not, by virtue of such contract,  
23 be considered to be employees of the United States Gov-  
24 ernment for purposes of any law administered by the Of-  
25 fice of Personnel Management. The Secretary of State  
26 may determine the applicability to such individuals of any

1 law administered by the Secretary concerning the perform-  
2 ance of such services by such individuals.

3 (b) CONDITIONS.—The authority under paragraph  
4 (1) is subject to the following conditions:

5 (1) The Inspector General determines that ex-  
6 isting personnel resources are insufficient.

7 (2) The contract length for a personal services  
8 contractor, including options, may not exceed 1 year,  
9 unless the Inspector General makes a finding that  
10 exceptional circumstances justify an extension of up  
11 to 1 additional year.

12 (3) Not more than 10 individuals may be em-  
13 ployed at any time as personal services contractors  
14 under the program.

15 (c) TERMINATION OF AUTHORITY.—The authority to  
16 award personal services contracts under this section shall  
17 terminate on December 31, 2007. A contract entered into  
18 prior to the termination date under this paragraph may  
19 remain in effect until not later than December 31, 2009.

20 (d) OTHER AUTHORITIES NOT AFFECTED.—The au-  
21 thority under this section is in addition to any other au-  
22 thority of the Inspector General to hire personal services  
23 contractors.

24 FUNDING TABLES

25 SEC. 2608. (a) Funds provided in this division for  
26 the following accounts shall be made available for pro-

1 grams and countries in the amounts contained in the re-  
2 spective tables included in the joint explanatory statement  
3 accompanying the conference report on H.R. 1591 of the  
4 110th Congress (H. Rept. 110–107):

5 “Diplomatic and Consular Programs”.

6 “Economic Support Fund”.

7 “Democracy Fund”.

8 “International Narcotics Control and Law En-  
9 forcement”.

10 “Migration and Refugee Assistance”.

11 (b) Any proposed increases or decreases to the  
12 amounts contained in the tables in the accompanying re-  
13 port shall be subject to the regular notification procedures  
14 of the Committees on Appropriations and section 634A  
15 of the Foreign Assistance Act of 1961.

16 SPENDING PLAN AND NOTIFICATION PROCEDURES

17 SEC. 2609. Not later than 45 days after enactment  
18 of this division the Secretary of State shall submit to the  
19 Committees on Appropriations a report detailing planned  
20 expenditures for funds appropriated under the headings  
21 in this chapter, except for funds appropriated under the  
22 heading “International Disaster and Famine Assistance”:  
23 *Provided*, That funds appropriated under the headings in  
24 this chapter, except for funds appropriated under the  
25 heading named in this section, shall be subject to the reg-

1 ular notification procedures of the Committees on Appro-  
2 priations.

3           CONDITIONS ON ASSISTANCE FOR PAKISTAN

4           SEC. 2610. None of the funds made available for as-  
5 sistance for the central Government of Pakistan under the  
6 heading “Economic Support Fund” in this title may be  
7 made available for non-project assistance until the Sec-  
8 retary of State submits to the Committees on Appropria-  
9 tions a report on the oversight mechanisms, performance  
10 benchmarks, and implementation processes for such  
11 funds: *Provided*, That notwithstanding any other provision  
12 of law, funds made available for non-project assistance  
13 pursuant to the previous proviso shall be subject to the  
14 regular notification procedures of the Committees on Ap-  
15 propriations: *Provided further*, That of the funds made  
16 available for assistance for Pakistan under the heading  
17 “Economic Support Fund” in this title, \$5,000,000 shall  
18 be made available for the Human Rights and Democracy  
19 Fund of the Bureau of Democracy, Human Rights, and  
20 Labor, Department of State, for political party develop-  
21 ment and election observation programs.

22           CIVILIAN RESERVE CORPS

23           SEC. 2611. Of the funds appropriated by this division  
24 under the heading “Diplomatic and Consular Programs”,  
25 up to \$50,000,000 may be made available to support and  
26 maintain a civilian reserve corps: *Provided*, That none of

1 the funds for a civilian reserve corps may be obligated  
2 without specific authorization in a subsequent Act of Con-  
3 gress: *Provided further*, That funds made available under  
4 this section shall be subject to the regular notification pro-  
5 cedures of the Committees on Appropriations.

6 COORDINATOR FOR IRAQ ASSISTANCE

7 SEC. 2612. (a) COORDINATOR FOR IRAQ ASSIST-  
8 ANCE.—Not later than 30 days after the date of the enact-  
9 ment of this division, the President shall appoint a Coordi-  
10 nator for Iraq Assistance (hereinafter in this section re-  
11 ferred to as the “Coordinator”), by and with the advice  
12 and consent of the Senate, who shall report directly to the  
13 President.

14 (b) DUTIES.—The Coordinator shall be responsible  
15 for—

16 (1) developing and implementing an overall  
17 strategy for political, economic, and military assist-  
18 ance for Iraq;

19 (2) coordinating and ensuring coherence of Iraq  
20 assistance programs and policy among all depart-  
21 ments and agencies of the Government of the United  
22 States that are implementing assistance programs in  
23 Iraq, including the Department of State, the United  
24 States Agency for International Development, the  
25 Department of Defense, the Department of the  
26 Treasury, and the Department of Justice;

1           (3) working with the Government of Iraq in  
2 meeting the benchmarks described in section  
3 1904(a) of this division in order to ensure Iraq con-  
4 tinues to be eligible to receive United States assist-  
5 ance described in such section;

6           (4) coordinating with other donors and inter-  
7 national organizations that are providing assistance  
8 for Iraq;

9           (5) ensuring adequate management and ac-  
10 countability of United States assistance programs  
11 for Iraq;

12           (6) resolving policy and program disputes  
13 among departments and agencies of the United  
14 States Government that are implementing assistance  
15 programs in Iraq; and

16           (7) coordinating United States assistance pro-  
17 grams with the reconstruction programs funded and  
18 implemented by the Government of Iraq.

19           (c) RANK AND STATUS.—The Coordinator shall have  
20 the rank and status of ambassador.

1                                   **CHAPTER 7**  
2                                   DEPARTMENT OF AGRICULTURE  
3                                   FOREIGN AGRICULTURAL SERVICE  
4                                   PUBLIC LAW 480 TITLE II GRANTS

5           For an additional amount for “Public Law 480 Title  
6 II Grants”, during the current fiscal year, not otherwise  
7 recoverable, and unrecovered prior years’ costs, including  
8 interest thereon, under the Agricultural Trade Develop-  
9 ment and Assistance Act of 1954, for commodities sup-  
10 plied in connection with dispositions abroad under title II  
11 of said Act, \$460,000,000, to remain available until ex-  
12 pended.

13                   GENERAL PROVISION—THIS CHAPTER

14           SEC. 2701. There is hereby appropriated  
15 \$40,000,000 to reimburse the Commodity Credit Corpora-  
16 tion for the release of eligible commodities under section  
17 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act  
18 (7 U.S.C. 1736f-1): *Provided*, That any such funds made  
19 available to reimburse the Commodity Credit Corporation  
20 shall only be used to replenish the Bill Emerson Humani-  
21 tarian Trust.

1 **TITLE III—ADDITIONAL HURRI-**  
2 **CANE DISASTER RELIEF AND**  
3 **RECOVERY**

4 **CHAPTER 1**

5 DEPARTMENT OF AGRICULTURE

6 GENERAL PROVISION—THIS CHAPTER

7 SEC. 3101. Section 1231(k)(2) of the Food Security  
8 Act of 1985 (16 U.S.C. 3831(k)(2)) is amended by strik-  
9 ing “During calendar year 2006, the” and inserting  
10 “The”.

11 **CHAPTER 2**

12 DEPARTMENT OF JUSTICE

13 OFFICE OF JUSTICE PROGRAMS

14 STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

15 For an additional amount for “State and Local Law  
16 Enforcement Assistance”, for discretionary grants author-  
17 ized by subpart 2 of part E, of title I of the Omnibus  
18 Crime Control and Safe Streets Act of 1968 as in effect  
19 on September 30, 2006, notwithstanding the provisions of  
20 section 511 of said Act, \$50,000,000, to remain available  
21 until expended: *Provided*, That the amount made available  
22 under this heading shall be for local law enforcement ini-  
23 tiatives in the Gulf Coast region related to the aftermath  
24 of Hurricanes Katrina and Rita: *Provided further*, That  
25 these funds shall be apportioned among the States in

1 quotient to their level of violent crime as estimated by the  
2 Federal Bureau of Investigation’s Uniform Crime Report  
3 for the year 2005.

4 DEPARTMENT OF COMMERCE

5 NATIONAL OCEANIC AND ATMOSPHERIC

6 ADMINISTRATION

7 OPERATIONS, RESEARCH, AND FACILITIES

8 For an additional amount for “Operations, Research,  
9 and Facilities”, for necessary expenses related to the con-  
10 sequences of Hurricanes Katrina and Rita on the shrimp  
11 and fishing industries, \$110,000,000, to remain available  
12 until September 30, 2008.

13 NATIONAL AERONAUTICS AND SPACE

14 ADMINISTRATION

15 EXPLORATION CAPABILITIES

16 For an additional amount for “Exploration Capabili-  
17 ties” for necessary expenses related to the consequences  
18 of Hurricane Katrina, \$35,000,000, to remain available  
19 until September 30, 2009.

20 GENERAL PROVISION—THIS CHAPTER

21 SEC. 3201. Up to \$48,000,000 of amounts made  
22 available to the National Aeronautics and Space Adminis-  
23 tration in Public Law 109–148 and Public Law 109–234  
24 for emergency hurricane and other natural disaster-re-

1 lated expenses may be used to reimburse hurricane-related  
 2 costs incurred by NASA in fiscal year 2005.

### 3 **CHAPTER 3**

#### 4 DEPARTMENT OF DEFENSE—CIVIL

#### 5 DEPARTMENT OF THE ARMY

#### 6 CORPS OF ENGINEERS—CIVIL

#### 7 CONSTRUCTION

8 For an additional amount for “Construction” for nec-  
 9 essary expenses related to the consequences of Hurricane  
 10 Katrina and other hurricanes of the 2005 season,  
 11 \$25,300,000, to remain available until expended, which  
 12 may be used to continue construction of projects related  
 13 to interior drainage for the greater New Orleans metro-  
 14 politan area.

#### 15 FLOOD CONTROL AND COASTAL EMERGENCIES

16 For an additional amount for “Flood Control and  
 17 Coastal Emergencies”, as authorized by section 5 of the  
 18 Act of August 18, 1941 (33 U.S.C. 701n), for necessary  
 19 expenses relating to the consequences of Hurricanes  
 20 Katrina and Rita and for other purposes, \$1,407,700,000,  
 21 to remain available until expended: *Provided*, That  
 22 \$1,300,000,000 of the amount provided may be used by  
 23 the Secretary of the Army to carry out projects and meas-  
 24 ures for the West Bank and Vicinity and Lake  
 25 Ponchartrain and Vicinity, Louisiana, projects, as de-  
 26 scribed under the heading “Flood Control and Coastal

1 Emergencies”, in chapter 3 of Public Law 109–148: *Pro-*  
2 *vided further*, That \$107,700,000 of the amount provided  
3 may be used to implement the projects for hurricane storm  
4 damage reduction, flood damage reduction, and ecosystem  
5 restoration within Hancock, Harrison, and Jackson Coun-  
6 ties, Mississippi substantially in accordance with the Re-  
7 port of the Chief of Engineers dated December 31, 2006,  
8 and entitled “Mississippi, Coastal Improvements Program  
9 Interim Report, Hancock, Harrison, and Jackson Coun-  
10 ties, Mississippi”: *Provided further*, That projects author-  
11 ized for implementation under this Chief’s report shall be  
12 carried out at full Federal expense, except that the non-  
13 Federal interests shall be responsible for providing for all  
14 costs associated with operation and maintenance of the  
15 project: *Provided further*, That any project using funds ap-  
16 propriated under this heading shall be initiated only after  
17 non-Federal interests have entered into binding agree-  
18 ments with the Secretary requiring the non-Federal inter-  
19 ests to pay 100 percent of the operation, maintenance, re-  
20 pair, replacement, and rehabilitation costs of the project  
21 and to hold and save the United States free from damages  
22 due to the construction or operation and maintenance of  
23 the project, except for damages due to the fault or neg-  
24 ligence of the United States or its contractors: *Provided*  
25 *further*, That the Chief of Engineers, acting through the

1 Assistant Secretary of the Army for Civil Works, shall pro-  
2 vide a monthly report to the House and Senate Commit-  
3 tees on Appropriations detailing the allocation and obliga-  
4 tion of these funds, beginning not later than 60 days after  
5 enactment of this division.

6 GENERAL PROVISIONS—THIS CHAPTER

7 SEC. 3301. The Secretary is authorized and directed  
8 to determine the value of eligible reimbursable expenses  
9 incurred by local governments in storm-proofing pumping  
10 stations, constructing safe houses for operators, and other  
11 interim flood control measures in and around the New Or-  
12 leans metropolitan area that the Secretary determines to  
13 be integral to the overall plan to ensure operability of the  
14 stations during hurricanes, storms and high water events  
15 and the flood control plan for the area.

16 SEC. 3302. (a) The Secretary of the Army is author-  
17 ized and directed to utilize funds remaining available for  
18 obligation from the amounts appropriated in chapter 3 of  
19 Public Law 109–234 under the heading “Flood Control  
20 and Coastal Emergencies” for projects in the greater New  
21 Orleans metropolitan area to prosecute these projects in  
22 a manner which promotes the goal of continuing work at  
23 an optimal pace, while maximizing, to the greatest extent  
24 practicable, levels of protection to reduce the risk of storm  
25 damage to people and property.

1 (b) The expenditure of funds as provided in sub-  
2 section (a) may be made without regard to individual  
3 amounts or purposes specified in chapter 3 of Public Law  
4 109–234.

5 (c) Any reallocation of funds that are necessary to  
6 accomplish the goal established in subsection (a) are au-  
7 thorized, subject to the approval of the House and Senate  
8 Committees on Appropriation.

9 SEC. 3303. The Chief of Engineers shall investigate  
10 the overall technical advantages, disadvantages and oper-  
11 ational effectiveness of operating the new pumping sta-  
12 tions at the mouths of the 17th Street, Orleans Avenue  
13 and London Avenue canals in the New Orleans area di-  
14 rected for construction in Public Law 109–234 concur-  
15 rently or in series with existing pumping stations serving  
16 these canals and the advantages, disadvantages and tech-  
17 nical operational effectiveness of removing the existing  
18 pumping stations and configuring the new pumping sta-  
19 tions and associated canals to handle all needed dis-  
20 charges; and the advantages, disadvantages and technical  
21 operational effectiveness of replacing or improving the  
22 floodwalls and levees adjacent to the three outfall canals:  
23 *Provided*, That the analysis should be conducted at Fed-  
24 eral expense: *Provided further*, That the analysis shall be





1 canes Katrina, Wilma, Dennis, and Rita under sections  
2 403, 406, 407, and 408 of the Robert T. Stafford Disaster  
3 Relief and Emergency Assistance Act (42 U.S.C. 5170b,  
4 5172, 5173, and 5174) shall be 100 percent of the eligible  
5 costs under such sections.

6 (b) APPLICABILITY.—The Federal share provided by  
7 subsection (a) shall apply to disaster assistance applied  
8 for before the date of enactment of this division.

9 SEC. 3502. (a) COMMUNITY DISASTER LOAN ACT.—

10 (1) IN GENERAL.—Section 2(a) of the Commu-  
11 nity Disaster Loan Act of 2005 (Public Law 109–  
12 88) is amended by striking “*Provided further, That*  
13 notwithstanding section 417(c)(1) of the Stafford  
14 Act, such loans may not be canceled:”.

15 (2) EFFECTIVE DATE.—The amendment made  
16 by paragraph (1) shall be effective on the date of en-  
17 actment of the Community Disaster Loan Act of  
18 2005 (Public Law 109–88).

19 (b) EMERGENCY SUPPLEMENTAL APPROPRIATIONS  
20 ACT.—

21 (1) IN GENERAL.—Chapter 4 of title II of the  
22 Emergency Supplemental Appropriations Act for  
23 Defense, the Global War on Terror, and Hurricane  
24 Recovery, 2006 (Public Law 109–234) is amended  
25 under Federal Emergency Management Agency,

1 “Disaster Assistance Direct Loan Program Ac-  
2 count” by striking “*Provided further*, That notwith-  
3 standing section 417(c)(1) of such Act, such loans  
4 may not be canceled.”.

5 (2) EFFECTIVE DATE.—The amendment made  
6 by paragraph (1) shall be effective on the date of en-  
7 actment of the Emergency Supplemental Appropria-  
8 tions Act for Defense, the Global War on Terror,  
9 and Hurricane Recovery, 2006 (Public Law 109–  
10 234).

11 SEC. 3503. (a) IN GENERAL.—Section 2401 of the  
12 Emergency Supplemental Appropriations Act for Defense,  
13 the Global War on Terror, and Hurricane Recovery, 2006  
14 (Public Law 109–234) is amended by striking “12  
15 months” and inserting “24 months”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 this section shall be effective on the date of enactment of  
18 the Emergency Supplemental Appropriations Act for De-  
19 fense, the Global War on Terror, and Hurricane Recovery,  
20 2006 (Public Law 109–234).

**CHAPTER 6**

## DEPARTMENT OF THE INTERIOR

## NATIONAL PARK SERVICE

## HISTORIC PRESERVATION FUND

1           For an additional amount for the “Historic Preserva-  
2           tion Fund” for necessary expenses related to the con-  
3           sequences of Hurricane Katrina and other hurricanes of  
4           the 2005 season, \$10,000,000, to remain available until  
5           September 30, 2008: *Provided*, That the funds provided  
6           under this heading shall be provided to the State Historic  
7           Preservation Officer, after consultation with the National  
8           Park Service, for grants for disaster relief in areas of Lou-  
9           isiana impacted by Hurricanes Katrina or Rita: *Provided*  
10          *further*, That grants shall be for the preservation, sta-  
11          bilization, rehabilitation, and repair of historic properties  
12          listed in or eligible for the National Register of Historic  
13          Places, for planning and technical assistance: *Provided*  
14          *further*, That grants shall only be available for areas that  
15          the President determines to be a major disaster under sec-  
16          tion 102(2) of the Robert T. Stafford Disaster Relief and  
17          Emergency Assistance Act (42 U.S.C. 5122(2)) due to  
18          Hurricanes Katrina or Rita: *Provided further*, That indi-  
19          vidual grants shall not be subject to a non-Federal match-  
20          ing requirement: *Provided further*, That no more than 5

1 percent of funds provided under this heading for disaster  
2 relief grants may be used for administrative expenses.

3           GENERAL PROVISION—THIS CHAPTER

4                           (INCLUDING TRANSFER OF FUNDS)

5           SEC. 3601. Of the disaster relief funds from Public  
6 Law 109–234, 120 Stat. 418, 461, (June 30, 2006), chap-  
7 ter 5, “National Park Service—Historic Preservation  
8 Fund”, for necessary expenses related to the consequences  
9 of Hurricane Katrina and other hurricanes of the 2005  
10 season that were allocated to the State of Mississippi by  
11 the National Park Service, \$500,000 is hereby transferred  
12 to the “National Park Service—National Recreation and  
13 Preservation” appropriation: *Provided*, That these funds  
14 may be used to reconstruct destroyed properties that at  
15 the time of destruction were listed in the National Register  
16 of Historic Places and are otherwise qualified to receive  
17 these funds: *Provided further*, That the State Historic  
18 Preservation Officer certifies that, for the community  
19 where that destroyed property was located, the property  
20 is iconic to or essential to illustrating that community’s  
21 historic identity, that no other property in that community  
22 with the same associative historic value has survived, and  
23 that sufficient historical documentation exists to ensure  
24 an accurate reproduction.

**CHAPTER 7**

## DEPARTMENT OF EDUCATION

## HIGHER EDUCATION

1  
2  
3  
4 For an additional amount under part B of title VII  
5 of the Higher Education Act of 1965 (“HEA”) for institu-  
6 tions of higher education (as defined in section 101 or sec-  
7 tion 102(e) of that Act) that are located in an area in  
8 which a major disaster was declared in accordance with  
9 section 401 of the Robert T. Stafford Disaster Relief and  
10 Emergency Assistance Act related to Hurricanes Katrina  
11 or Rita, \$30,000,000: *Provided*, That such funds shall be  
12 available to the Secretary of Education only for payments  
13 to help defray the expenses (which may include lost rev-  
14 enue, reimbursement for expenses already incurred, and  
15 construction) incurred by such institutions of higher edu-  
16 cation that were forced to close, relocate or significantly  
17 curtail their activities as a result of damage directly  
18 caused by such hurricanes and for payments to enable  
19 such institutions to provide grants to students who attend  
20 such institutions for academic years beginning on or after  
21 July 1, 2006: *Provided further*, That such payments shall  
22 be made in accordance with criteria established by the Sec-  
23 retary and made publicly available without regard to sec-  
24 tion 437 of the General Education Provisions Act, section

1 553 of title 5, United States Code, or part B of title VII  
2 of the HEA.

3 HURRICANE EDUCATION RECOVERY

4 For carrying out activities authorized by subpart 1  
5 of part D of title V of the Elementary and Secondary Edu-  
6 cation Act of 1965, \$30,000,000, to remain available until  
7 expended, for use by the States of Louisiana, Mississippi,  
8 and Alabama primarily for recruiting, retaining, and com-  
9 pensating new and current teachers, school principals, as-  
10 sistant principals, principal resident directors, assistant  
11 directors, and other educators, who commit to work for  
12 at least three years in school-based positions in public ele-  
13 mentary and secondary schools located in an area with re-  
14 spect to which a major disaster was declared under section  
15 401 of the Robert T. Stafford Disaster Relief and Emer-  
16 gency Assistance Act (42 U.S.C. 5170) by reason of Hur-  
17 ricane Katrina or Hurricane Rita, including through such  
18 mechanisms as paying salary premiums, performance bo-  
19 nuses, housing subsidies, signing bonuses, and relocation  
20 costs and providing loan forgiveness, with priority given  
21 to teachers and school-based school principals, assistant  
22 principals, principal resident directors, assistant directors,  
23 and other educators who previously worked or lived in one  
24 of the affected areas, are currently employed (or become  
25 employed) in such a school in any of the affected areas

1 after those disasters, and commit to continue that employ-  
2 ment for at least 3 years, *Provided*, That funds available  
3 under this heading to such States may also be used for  
4 1 or more of the following activities: (1) to build the capac-  
5 ity, knowledge, and skill of teachers and school-based  
6 school principals, assistant principals, principal resident  
7 directors, assistant directors, and other educators in such  
8 public elementary and secondary schools to provide an ef-  
9 fective education, including the design, adaptation, and  
10 implementation of high-quality formative assessments; (2)  
11 the establishment of partnerships with nonprofit entities  
12 with a demonstrated track record in recruiting and retain-  
13 ing outstanding teachers and other school-based school  
14 principals, assistant principals, principal resident direc-  
15 tors, and assistant directors; and (3) paid release time for  
16 teachers and principals to identify and replicate successful  
17 practices from the fastest-improving and highest-per-  
18 forming schools: *Provided further*, That the Secretary of  
19 Education shall allocate amounts available under this  
20 heading among such States that submit applications; that  
21 such allocation shall be based on the number of public ele-  
22 mentary and secondary schools in each State that were  
23 closed for 19 days or more during the period beginning  
24 on August 29, 2005, and ending on December 31, 2005,  
25 due to Hurricane Katrina or Hurricane Rita; and that

1 such States shall in turn allocate funds to local edu-  
2 cational agencies, with priority given first to such agencies  
3 with the highest percentages of public elementary and sec-  
4 ondary schools that are closed as a result of such hurri-  
5 canes as of the date of enactment of this division and then  
6 to such agencies with the highest percentages of public  
7 elementary and secondary schools with a student-teacher  
8 ratio of at least 25 to 1, and with any remaining amounts  
9 to be distributed to such agencies with demonstrated need,  
10 as determined by the State Superintendent of Education:  
11 *Provided further*, That, in the case of any State that choos-  
12 es to use amounts available under this heading for per-  
13 formance bonuses, not later than 60 days after the date  
14 of enactment of this division, and in collaboration with  
15 local educational agencies, teachers' unions, local prin-  
16 cipals' organizations, local parents' organizations, local  
17 business organizations, and local charter schools organiza-  
18 tions, the State educational agency shall develop a plan  
19 for a rating system for performance bonuses, and if no  
20 agreement has been reached that is satisfactory to all con-  
21 sulting entities by such deadline, the State educational  
22 agency shall immediately send a letter notifying Congress  
23 and shall, not later than 30 days after such notification,  
24 establish and implement a rating system that shall be  
25 based on classroom observation and feedback more than

1 once annually, conducted by multiple sources (including,  
2 but not limited to, principals and master teachers), and  
3 evaluated against research-based rubrics that use plan-  
4 ning, instructional, and learning environment standards to  
5 measure teacher performance, except that the require-  
6 ments of this proviso shall not apply to a State that has  
7 enacted a State law in 2006 authorizing performance pay  
8 for teachers.

9           PROGRAMS TO RESTART SCHOOL OPERATIONS

10          Funds made available under section 102 of the Hur-  
11 ricane Education Recovery Act (title IV of division B of  
12 Public Law 109–148) may be used by the States of Lou-  
13 isiana, Mississippi, Alabama, and Texas, in addition to the  
14 uses of funds described in section 102(e), for the following  
15 costs: (1) recruiting, retaining, and compensating new and  
16 current teachers, school principals, assistant principals,  
17 principal resident directors, assistant directors, and other  
18 educators for school-based positions in public elementary  
19 and secondary schools impacted by Hurricane Katrina or  
20 Hurricane Rita, including through such mechanisms as  
21 paying salary premiums, performance bonuses, housing  
22 subsidies, signing bonuses, and relocation costs and pro-  
23 viding loan forgiveness; (2) activities to build the capacity,  
24 knowledge, and skills of teachers and school-based school  
25 principals, assistant principals, principal resident direc-

1 tors, assistant directors, and other educators in such pub-  
2 lic elementary and secondary schools to provide an effec-  
3 tive education, including the design, adaptation, and im-  
4 plementation of high-quality formative assessments; (3)  
5 the establishment of partnerships with nonprofit entities  
6 with a demonstrated track record in recruiting and retain-  
7 ing outstanding teachers and school-based school prin-  
8 cipals, assistant principals, principal resident directors,  
9 and assistant directors; and (4) paid release time for  
10 teachers and principals to identify and replicate successful  
11 practices from the fastest-improving and highest-per-  
12 forming schools.

13           GENERAL PROVISIONS—THIS CHAPTER

14           SEC. 3701. Section 105(b) of title IV of division B  
15 of Public Law 109–148 is amended by adding at the end  
16 the following new sentence: “With respect to the program  
17 authorized by section 102 of this Act, the waiver authority  
18 in subsection (a) of this section shall be available until  
19 the end of fiscal year 2008.”.

20           SEC. 3702. Notwithstanding section 2002(c) of the  
21 Social Security Act (42 U.S.C. 1397a(c)), funds made  
22 available under the heading “Social Services Block Grant”  
23 in division B of Public Law 109–148 shall be available  
24 for expenditure by the States through the end of fiscal  
25 year 2009.



1 23, United States Code, shall not apply to emergency re-  
2 lief projects that respond to damage caused by the 2005–  
3 2006 winter storms in the State of California: *Provided*  
4 *further*, That of the unobligated balances of funds appor-  
5 tioned to each State under chapter 1 of title 23, United  
6 States Code, \$682,942,000 are rescinded: *Provided fur-*  
7 *ther*, That such rescission shall not apply to the funds dis-  
8 tributed in accordance with sections 130(f) and 104(b)(5)  
9 of title 23, United States Code; sections 133(d)(1) and  
10 163 of such title, as in effect on the day before the date  
11 of enactment of Public Law 109–59; and the first sentence  
12 of section 133(d)(3)(A) of such title.

13 FEDERAL TRANSIT ADMINISTRATION

14 FORMULA GRANTS

15 For an additional amount to be allocated by the Sec-  
16 retary to recipients of assistance under chapter 53 of title  
17 49, United States Code, directly affected by Hurricanes  
18 Katrina and Rita, \$35,000,000, for the operating and cap-  
19 ital costs of transit services, to remain available until ex-  
20 pended: *Provided*, That the Federal share for any project  
21 funded from this amount shall be 100 percent.

1 DEPARTMENT OF HOUSING AND URBAN  
2 DEVELOPMENT  
3 OFFICE OF INSPECTOR GENERAL

4 For an additional amount for the Office of Inspector  
5 General, for the necessary costs related to the con-  
6 sequences of Hurricanes Katrina and Rita, \$7,000,000,  
7 to remain available until expended.

8 GENERAL PROVISIONS—THIS CHAPTER

9 SEC. 3801. The third proviso under the heading “De-  
10 partment of Housing and Urban Development—Public  
11 and Indian Housing—Tenant-Based Rental Assistance”  
12 in chapter 9 of title I of division B of Public Law 109–  
13 148 (119 Stat. 2779) is amended by striking “for up to  
14 18 months” and inserting “until December 31, 2007”.

15 SEC. 3802. Section 21033 of the Continuing Appro-  
16 priations Resolution, 2007 (division B of Public Law 109–  
17 289, as amended by Public Law 110–5) is amended by  
18 adding after the third proviso: “: *Provided further*, That  
19 notwithstanding the previous proviso, except for applying  
20 the 2007 Annual Adjustment Factor and making any  
21 other specified adjustments, public housing agencies speci-  
22 fied in category 1 below shall receive funding for calendar  
23 year 2007 based on the higher of the amounts the agencies  
24 would receive under the previous proviso or the amounts  
25 the agencies received in calendar year 2006, and public

1 housing agencies specified in categories 2 and 3 below  
2 shall receive funding for calendar year 2007 equal to the  
3 amounts the agencies received in calendar year 2006, ex-  
4 cept that public housing agencies specified in categories  
5 1 and 2 below shall receive funding under this proviso only  
6 if, and to the extent that, any such public housing agency  
7 submits a plan, approved by the Secretary, that dem-  
8 onstrates that the agency can effectively use within 12  
9 months the funding that the agency would receive under  
10 this proviso that is in addition to the funding that the  
11 agency would receive under the previous proviso: (1) public  
12 housing agencies that are eligible for assistance under sec-  
13 tion 901 in Public Law 109–148 (119 Stat. 2781) or are  
14 located in the same counties as those eligible under section  
15 901 and operate voucher programs under section 8(o) of  
16 the United States Housing Act of 1937 but do not operate  
17 public housing under section 9 of such Act, and any public  
18 housing agency that otherwise qualifies under this cat-  
19 egory must demonstrate that they have experienced a loss  
20 of rental housing stock as a result of the 2005 hurricanes;  
21 (2) public housing agencies that would receive less funding  
22 under the previous proviso than they would receive under  
23 this proviso and that have been placed in receivership or  
24 the Secretary has declared to be in breach of an Annual  
25 Contributions Contract by June 1, 2007; and (3) public

1 housing agencies that spent more in calendar year 2006  
 2 than the total of the amounts of any such public housing  
 3 agency’s allocation amount for calendar year 2006 and the  
 4 amount of any such public housing agency’s available  
 5 housing assistance payments undesignated funds balance  
 6 from calendar year 2005 and the amount of any such pub-  
 7 lic housing agency’s available administrative fees undesignated  
 8 funds balance through calendar year 2006”.

9 SEC. 3803. Section 901 of Public Law 109–148 is  
 10 amended by deleting “calendar year 2006” and inserting  
 11 “calendar years 2006 and 2007”.

## 12 **TITLE IV—OTHER EMERGENCY** 13 **APPROPRIATIONS**

### 14 **CHAPTER 1**

#### 15 DEPARTMENT OF DEFENSE—CIVIL

#### 16 DEPARTMENT OF THE ARMY

#### 17 CORPS OF ENGINEERS—CIVIL

#### 18 INVESTIGATIONS

19 For an additional amount for “Investigations” for  
 20 flood damage reduction studies to address flooding associ-  
 21 ated with disasters covered by Presidential Disaster Dec-  
 22 laration FEMA–1692–DR, \$8,165,000, to remain avail-  
 23 able until expended.

#### 24 CONSTRUCTION

25 For an additional amount for “Construction” for  
 26 flood damage reduction activities associated with disasters

1 covered by Presidential Disaster Declaration FEMA–  
2 1692–DR, \$500,000 to remain available until expended.

3 OPERATION AND MAINTENANCE

4 For an additional amount for “Operation and Main-  
5 tenance” to dredge navigation channels related to the con-  
6 sequences of hurricanes of the 2005 season, \$3,000,000,  
7 to remain available until expended.

8 FLOOD CONTROL AND COASTAL EMERGENCIES

9 For an additional amount for “Flood Control and  
10 Coastal Emergencies”, as authorized by section 5 of the  
11 Act of August 18, 1941 (33 U.S.C. 701n), to support  
12 emergency operations, repairs and other activities in re-  
13 sponse to flood, drought and earthquake emergencies as  
14 authorized by law, \$153,300,000, to remain available until  
15 expended: *Provided*, That the Chief of Engineers, acting  
16 through the Assistant Secretary of the Army for Civil  
17 Works, shall provide a monthly report to the House and  
18 Senate Committees on Appropriations detailing the alloca-  
19 tion and obligation of these funds, beginning not later  
20 than 60 days after enactment of this division.

21 DEPARTMENT OF THE INTERIOR

22 BUREAU OF RECLAMATION

23 WATER AND RELATED RESOURCES

24 For an additional amount for “Water and Related  
25 Resources”, \$18,000,000, to remain available until ex-  
26 pended for drought assistance: *Provided*, That drought as-

1 sistance may be provided under the Reclamation States  
2 Drought Emergency Act or other applicable Reclamation  
3 authorities to assist drought plagued areas of the West.

## 4 **CHAPTER 2**

### 5 DEPARTMENT OF THE INTERIOR

#### 6 UNITED STATES FISH AND WILDLIFE SERVICE

##### 7 RESOURCE MANAGEMENT

8 For an additional amount for “Resource Manage-  
9 ment” for the detection of highly pathogenic avian influ-  
10 enza in wild birds, including the investigation of morbidity  
11 and mortality events, targeted surveillance in live wild  
12 birds, and targeted surveillance in hunter-taken birds,  
13 \$7,398,000, to remain available until September 30, 2008.

##### 14 NATIONAL PARK SERVICE

##### 15 OPERATION OF THE NATIONAL PARK SYSTEM

16 For an additional amount for “Operation of the Na-  
17 tional Park System” for the detection of highly pathogenic  
18 avian influenza in wild birds, including the investigation  
19 of morbidity and mortality events, \$525,000, to remain  
20 available until September 30, 2008.

##### 21 UNITED STATES GEOLOGICAL SURVEY

##### 22 SURVEYS, INVESTIGATIONS, AND RESEARCH

23 For an additional amount for “Surveys, Investiga-  
24 tions, and Research” for the detection of highly patho-  
25 genic avian influenza in wild birds, including the investiga-

1 tion of morbidity and mortality events, targeted surveil-  
2 lance in live wild birds, and targeted surveillance in  
3 hunter-taken birds, \$5,270,000, to remain available until  
4 September 30, 2008.

5 DEPARTMENT OF AGRICULTURE

6 FOREST SERVICE

7 NATIONAL FOREST SYSTEM

8 For an additional amount for “National Forest Sys-  
9 tem” for the implementation of a nationwide initiative to  
10 increase protection of national forest lands from drug-traf-  
11 ficking organizations, including funding for additional law  
12 enforcement personnel, training, equipment and coopera-  
13 tive agreements, \$12,000,000, to remain available until  
14 expended.

15 **CHAPTER 3**

16 DEPARTMENT OF HEALTH AND HUMAN

17 SERVICES

18 CENTERS FOR DISEASE CONTROL AND PREVENTION

19 DISEASE CONTROL, RESEARCH AND TRAINING

20 For an additional amount for “Department of Health  
21 and Human Services, Centers for Disease Control and  
22 Prevention, Disease Control, Research and Training”, to  
23 carry out section 501 of the Federal Mine Safety and  
24 Health Act of 1977 and section 6 of the Mine Improve-  
25 ment and New Emergency Response Act of 2006,

1 \$13,000,000 for research to develop mine safety tech-  
2 nology, including necessary repairs and improvements to  
3 leased laboratories: *Provided*, That progress reports on  
4 technology development shall be submitted to the House  
5 and Senate Committees on Appropriations and the Com-  
6 mittee on Health, Education, Labor and Pensions of the  
7 Senate and the Committee on Education and Labor of the  
8 House of Representatives on a quarterly basis: *Provided*  
9 *further*, That the amount provided under this heading  
10 shall remain available until September 30, 2008.

11 For an additional amount for “Department of Health  
12 and Human Services, Centers for Disease Control and  
13 Prevention, Disease Control, Research and Training”, to  
14 carry out activities under section 5011(b) of the Emer-  
15 gency Supplemental Appropriations Act to Address Hurri-  
16 canes in the Gulf of Mexico and Pandemic Influenza, 2006  
17 (Public Law 109–148), \$50,000,000, to remain available  
18 until expended.

19 ADMINISTRATION FOR CHILDREN AND FAMILIES

20 LOW-INCOME HOME ENERGY ASSISTANCE

21 For an additional amount for “Low-Income Home  
22 Energy Assistance” under section 2604(a) through (d) of  
23 the Low-Income Home Energy Assistance Act of 1981 (42  
24 U.S.C. 8623(a) through (d)), \$200,000,000.

1 For an additional amount for “Low-Income Home  
2 Energy Assistance” under section 2604(e) of the Low-In-  
3 come Home Energy Assistance Act of 1981 (42 U.S.C.  
4 8623(e)), \$200,000,000.

5 OFFICE OF THE SECRETARY

6 PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY

7 FUND

8 (INCLUDING TRANSFER OF FUNDS)

9 For an additional amount for “Public Health and So-  
10 cial Services Emergency Fund” to prepare for and re-  
11 spond to an influenza pandemic, \$625,000,000, to remain  
12 available until expended: *Provided*, That this amount shall  
13 be for activities including the development and purchase  
14 of vaccine, antivirals, necessary medical supplies,  
15 diagnostics, and other surveillance tools: *Provided further*,  
16 That products purchased with these funds may, at the dis-  
17 cretion of the Secretary of Health and Human Services,  
18 be deposited in the Strategic National Stockpile: *Provided*  
19 *further*, That notwithstanding section 496(b) of the Public  
20 Health Service Act, funds may be used for the construc-  
21 tion or renovation of privately owned facilities for the pro-  
22 duction of pandemic vaccine and other biologicals, where  
23 the Secretary finds such a contract necessary to secure  
24 sufficient supplies of such vaccines or biologicals: *Provided*  
25 *further*, That funds appropriated herein may be trans-  
26 ferred to other appropriation accounts of the Department

1 of Health and Human Services, as determined by the Sec-  
2 retary to be appropriate, to be used for the purposes speci-  
3 fied in this sentence.

4 COVERED COUNTERMEASURE PROCESS FUND

5 For carrying out section 319F-4 of the Public Health  
6 Service Act (42 U.S.C. 247d-6e) to compensate individ-  
7 uals for injuries caused by H5N1 vaccine, in accordance  
8 with the declaration regarding avian influenza viruses  
9 issued by the Secretary of Health and Human Services  
10 on January 26, 2007, pursuant to section 319F-3(b) of  
11 such Act (42 U.S.C. 247d-6d(b)), \$25,000,000, to remain  
12 available until expended.

13 GENERAL PROVISIONS—THIS CHAPTER

14 (INCLUDING RESCISSIONS)

15 SEC. 4301. (a). From unexpended balances available  
16 for the Training and Employment Services account under  
17 the Department of Labor, the following amounts are here-  
18 by rescinded—

19 (1) \$3,589,000 transferred pursuant to the  
20 2001 Emergency Supplemental Appropriations Act  
21 for Recovery from and Response to Terrorist At-  
22 tacks on the United States (Public Law 107-38);

23 (2) \$834,000 transferred pursuant to the  
24 Emergency Supplemental Appropriations Act of  
25 1994 (Public Law 103-211); and

1           (3) \$71,000 for the Consortium for Worker  
2           Education pursuant to the Emergency Supplemental  
3           Act, 2002 (Public Law 107–117).

4           (b) From unexpended balances available for the State  
5           Unemployment Insurance and Employment Service Oper-  
6           ations account under the Department of Labor pursuant  
7           to the Emergency Supplemental Act, 2002 (Public Law  
8           107–117), \$4,100,000 are hereby rescinded.

9           SEC. 4302. (a) For an additional amount under “De-  
10          partment of Education, Safe Schools and Citizenship Edu-  
11          cation”, \$8,594,000 shall be available for Safe and Drug-  
12          Free Schools National Programs for competitive grants to  
13          local educational agencies to address youth violence and  
14          related issues.

15          (b) The competition under subsection (a) shall be lim-  
16          ited to local educational agencies that operate schools cur-  
17          rently identified as persistently dangerous under section  
18          9532 of the Elementary and Secondary Education Act of  
19          1965.

1                   **CHAPTER 4**  
2                   LEGISLATIVE BRANCH  
3                   CAPITOL POLICE  
4                   GENERAL EXPENSES

5           For an additional amount for “Capitol Police, Gen-  
6 eral Expenses”, \$15,000,000 for a radio modernization  
7 program, to remain available until expended.

8                   ARCHITECT OF THE CAPITOL  
9                   CAPITOL POWER PLANT

10          For an additional amount for “Capitol Power Plant”,  
11 \$50,000,000, for utility tunnel repairs and asbestos abate-  
12 ment, to remain available until September 30, 2011: *Pro-*  
13 *vided*, That the Architect of the Capitol may not obligate  
14 any of the funds appropriated under this heading without  
15 approval of an obligation plan by the Committees on Ap-  
16 propriations of the Senate and House of Representatives.

17                   **CHAPTER 5**  
18                   DEPARTMENT OF VETERANS AFFAIRS  
19                   VETERANS HEALTH ADMINISTRATION  
20                   MEDICAL SERVICES

21          For an additional amount for “Medical Services”,  
22 \$466,778,000, to remain available until expended, of  
23 which \$30,000,000 shall be for the establishment of at  
24 least one new Level I comprehensive polytrauma center;  
25 \$9,440,000 shall be for the establishment of polytrauma

1 residential transitional rehabilitation programs;  
2 \$10,000,000 shall be for additional transition case-  
3 workers; \$20,000,000 shall be for substance abuse treat-  
4 ment programs; \$20,000,000 shall be for readjustment  
5 counseling; \$10,000,000 shall be for blind rehabilitation  
6 services; \$100,000,000 shall be for enhancements to men-  
7 tal health services; \$8,000,000 shall be for polytrauma  
8 support clinic teams; \$5,356,000 shall be for additional  
9 polytrauma points of contact; \$228,982,000 shall be for  
10 treatment of Operation Enduring Freedom and Operation  
11 Iraqi Freedom veterans; and \$25,000,000 shall be for  
12 prosthetics.

13 MEDICAL ADMINISTRATION

14 For an additional amount for “Medical Administra-  
15 tion”, \$250,000,000, to remain available until expended.

16 MEDICAL FACILITIES

17 For an additional amount for “Medical Facilities”,  
18 \$595,000,000, to remain available until expended, of  
19 which \$45,000,000 shall be used for facility and equip-  
20 ment upgrades at the Department of Veterans Affairs  
21 polytrauma network sites; and \$550,000,000 shall be for  
22 non-recurring maintenance as identified in the Depart-  
23 ment of Veterans Affairs Facility Condition Assessment  
24 report: *Provided*, That the amount provided under this  
25 heading for non-recurring maintenance shall be allocated  
26 in a manner not subject to the Veterans Equitable Re-

1 source Allocation: *Provided further*, That within 30 days  
2 of enactment of this division the Secretary shall submit  
3 to the Committees on Appropriations of both Houses of  
4 Congress an expenditure plan, by project, for non-recur-  
5 ring maintenance prior to obligation: *Provided further*,  
6 That semi-annually, on October 1 and April 1, the Sec-  
7 retary shall submit to the Committees on Appropriations  
8 of both Houses of Congress a report on the status of fund-  
9 ing for non-recurring maintenance, including obligations  
10 and unobligated balances for each project identified in the  
11 expenditure plan.

12 MEDICAL AND PROSTHETIC RESEARCH

13 For an additional amount for “Medical and Pros-  
14 thetic Research”, \$32,500,000, to remain available until  
15 expended, which shall be used for research related to the  
16 unique medical needs of returning Operation Enduring  
17 Freedom and Operation Iraqi Freedom veterans.

18 DEPARTMENTAL ADMINISTRATION

19 GENERAL OPERATING EXPENSES

20 (INCLUDING TRANSFER OF FUNDS)

21 For an additional amount for “General Operating  
22 Expenses”, \$83,200,000, to remain available until ex-  
23 pended, of which \$1,250,000 shall be for digitization of  
24 military records; \$60,750,000 shall be for expenses related  
25 to hiring and training new claims processing personnel;  
26 up to \$1,200,000 for an independent study of the organi-

1 zational structure, management and coordination proc-  
2 esses, including seamless transition, utilized by the De-  
3 partment of Veterans Affairs to provide health care and  
4 benefits to active duty personnel and veterans, including  
5 those returning Operation Enduring Freedom and Oper-  
6 ation Iraqi Freedom veterans; and \$20,000,000 shall be  
7 for disability examinations: *Provided*, That not to exceed  
8 \$1,250,000 of the amount appropriated under this head-  
9 ing may be transferred to the Department of Defense for  
10 the digitization of military records used to verify stressors  
11 for benefits claims.

12 INFORMATION TECHNOLOGY SYSTEMS

13 For an additional amount for “Information Tech-  
14 nology Systems”, \$35,100,000, to remain available until  
15 expended, of which \$20,000,000 shall be for information  
16 technology support and improvements for processing of  
17 Operation Enduring Freedom and Operation Iraqi Free-  
18 dom veterans benefits claims, including making electronic  
19 Department of Defense medical records available for  
20 claims processing and enabling electronic benefits applica-  
21 tions by veterans; and \$15,100,000 shall be for electronic  
22 data breach remediation and prevention.

23 CONSTRUCTION, MINOR PROJECTS

24 For an additional amount for “Construction, Minor  
25 Projects”, \$326,000,000, to remain available until ex-  
26 pended, of which up to \$36,000,000 shall be for construc-

1 tion costs associated with the establishment of polytrauma  
2 residential transitional rehabilitation programs.

3       GENERAL PROVISIONS—THIS CHAPTER

4       SEC. 4501. The Director of the Congressional Budget  
5 Office shall, not later than November 15, 2007, submit  
6 to the Committees on Appropriations of the House of Rep-  
7 resentatives and the Senate a report projecting appropria-  
8 tions necessary for the Departments of Defense and Vet-  
9 erans Affairs to continue providing necessary health care  
10 to veterans of the conflicts in Iraq and Afghanistan. The  
11 projections should span several scenarios for the duration  
12 and number of forces deployed in Iraq and Afghanistan,  
13 and more generally, for the long-term health care needs  
14 of deployed troops engaged in the global war on terrorism  
15 over the next ten years.

16       SEC. 4502. Notwithstanding any other provision of  
17 law, appropriations made by Public Law 110–5, which the  
18 Secretary of Veterans Affairs contributes to the Depart-  
19 ment of Defense/Department of Veterans Affairs Health  
20 Care Sharing Incentive Fund under the authority of sec-  
21 tion 8111(d) of title 38, United States Code, shall remain  
22 available until expended for any purpose authorized by  
23 section 8111 of title 38, United States Code.

24       SEC. 4503. (a)(1) Notwithstanding any other provi-  
25 sion of law, the Secretary of Veterans Affairs (referred

1 to in this section as the “Secretary”) may convey to the  
 2 State of Texas, without consideration, all right, title, and  
 3 interest of the United States in and to the parcel of real  
 4 property comprising the location of the Marlin, Texas, De-  
 5 partment of Veterans Affairs Medical Center.

6 (2) The property conveyed under paragraph (1) shall  
 7 be used by the State of Texas for the purposes of a prison.

8 (b) In carrying out the conveyance under subsection  
 9 (a), the Secretary—

10 (1) shall not be required to comply with, and  
 11 shall not be held liable under, any Federal law (in-  
 12 cluding a regulation) relating to the environment or  
 13 historic preservation; but

14 (2) may, at the discretion of the Secretary, con-  
 15 duct environmental cleanup on the parcel to be con-  
 16 veyed, at a cost not to exceed \$500,000, using  
 17 amounts made available for environmental cleanup  
 18 of sites under the jurisdiction of the Secretary.

## 19 **TITLE V—OTHER MATTERS**

### 20 **CHAPTER 1**

#### 21 **DEPARTMENT OF AGRICULTURE**

#### 22 **FARM SERVICE AGENCY**

#### 23 **SALARIES AND EXPENSES**

24 For an additional amount for “Salaries and Ex-  
 25 penses” of the Farm Service Agency, \$37,500,000, to re-

1 main available until September 30, 2008: *Provided*, That  
2 this amount shall only be available for network and data-  
3 base/application stabilization.

4       **GENERAL PROVISIONS—THIS CHAPTER**

5       SEC. 5101. Of the funds made available through ap-  
6 propriations to the Food and Drug Administration for fis-  
7 cal year 2007, not less than \$4,000,000 shall be for the  
8 Office of Women’s Health of such Administration.

9       SEC. 5102. None of the funds made available to the  
10 Department of Agriculture for fiscal year 2007 may be  
11 used to implement the risk-based inspection program in  
12 the 30 prototype locations announced on February 22,  
13 2007, by the Under Secretary for Food Safety, or at any  
14 other locations, until the USDA Office of Inspector Gen-  
15 eral has provided its findings to the Food Safety and In-  
16 spection Service and the Committees on Appropriations of  
17 the House of Representatives and the Senate on the data  
18 used in support of the development and design of the risk-  
19 based inspection program and FSIS has addressed and  
20 resolved issues identified by OIG.

21                               **CHAPTER 2**

22       **GENERAL PROVISIONS—THIS CHAPTER**

23       SEC. 5201. Hereafter, federal employees at the Na-  
24 tional Energy Technology Laboratory shall be classified  
25 as inherently governmental for the purpose of the Federal

1 Activities Inventory Reform Act of 1998 (31 U.S.C. 501  
2 note).

3 SEC. 5202. None of the funds made available under  
4 this or any other Act shall be used during fiscal year 2007  
5 to make, or plan or prepare to make, any payment on  
6 bonds issued by the Administrator of the Bonneville Power  
7 Administration (referred in this section as the “Adminis-  
8 trator”) or for an appropriated Federal Columbia River  
9 Power System investment, if the payment is both—

10 (1) greater, during any fiscal year, than the  
11 payments calculated in the rate hearing of the Ad-  
12 ministrator to be made during that fiscal year using  
13 the repayment method used to establish the rates of  
14 the Administrator as in effect on October 1, 2006;  
15 and

16 (2) based or conditioned on the actual or ex-  
17 pected net secondary power sales receipts of the Ad-  
18 ministrator.

### 19 **CHAPTER 3**

#### 20 **GENERAL PROVISIONS—THIS CHAPTER**

21 SEC. 5301. (a) Section 102(a)(3)(B) of the Help  
22 America Vote Act of 2002 (42 U.S.C. 15302(a)(3)(B)) is  
23 amended by striking “January 1, 2006” and inserting  
24 “March 1, 2008”.

1 (b) The amendment made by subsection (a) shall take  
2 effect as if included in the enactment of the Help America  
3 Vote Act of 2002.

4 SEC. 5302. The structure of any of the offices or  
5 components within the Office of National Drug Control  
6 Policy shall remain as they were on October 1, 2006. None  
7 of the funds appropriated or otherwise made available in  
8 the Continuing Appropriations Resolution, 2007 (Public  
9 Law 110–5) may be used to implement a reorganization  
10 of offices within the Office of National Drug Control Pol-  
11 icy without the explicit approval of the Committees on Ap-  
12 propriations of the House of Representatives and the Sen-  
13 ate.

14 SEC. 5303. From the amount provided by section  
15 21067 of the Continuing Appropriations Resolution, 2007  
16 (Public Law 110–5), the National Archives and Records  
17 Administration may obligate monies necessary to carry out  
18 the activities of the Public Interest Declassification Board.

19 SEC. 5304. Notwithstanding the notice requirement  
20 of the Transportation, Treasury, Housing and Urban De-  
21 velopment, the Judiciary, the District of Columbia, and  
22 Independent Agencies Appropriations Act, 2006, 119  
23 Stat. 2509 (Public Law 109–115), as continued in section  
24 104 of the Continuing Appropriations Resolution, 2007  
25 (Public Law 110–5), the District of Columbia Courts may

1 reallocate not more than \$1,000,000 of the funds provided  
2 for fiscal year 2007 under the Federal Payment to the  
3 District of Columbia Courts for facilities among the items  
4 and entities funded under that heading for operations.

5       SEC. 5305. (a) Not later than 90 days after the date  
6 of enactment of this division, the Secretary of the Treas-  
7 ury, in coordination with the Securities and Exchange  
8 Commission and in consultation with the Departments of  
9 State and Energy, shall prepare and submit to the Senate  
10 Committee on Appropriations, the House Committee on  
11 Appropriations, the Senate Committee on Banking, Hous-  
12 ing, and Urban Affairs, the House Committee on Finan-  
13 cial Services, the Senate Foreign Relations Committee,  
14 and the House Foreign Affairs Committee a written re-  
15 port, which may include a classified annex, containing the  
16 names of companies which either directly or through a  
17 parent or subsidiary company, including partly-owned sub-  
18 sidiaries, are known to conduct significant business oper-  
19 ations in Sudan relating to natural resource extraction,  
20 including oil-related activities and mining of minerals. The  
21 reporting provision shall not apply to companies operating  
22 under licenses from the Office of Foreign Assets Control  
23 or otherwise expressly exempted under United States law  
24 from having to obtain such licenses in order to operate  
25 in Sudan.

1 (b) Not later than 45 days following the submission  
2 to Congress of the list of companies conducting business  
3 operations in Sudan relating to natural resource extrac-  
4 tion as required above, the General Services Administra-  
5 tion shall determine whether the United States Govern-  
6 ment has an active contract for the procurement of goods  
7 or services with any of the identified companies, and pro-  
8 vide notification to the appropriate committees of Con-  
9 gress, which may include a classified annex, regarding the  
10 companies, nature of the contract, and dollar amounts in-  
11 volved.

12 (INCLUDING RESCISSION)

13 SEC. 5306. (a) Of the funds provided for the General  
14 Services Administration, “Office of Inspector General” in  
15 section 21061 of the Continuing Appropriations Resolu-  
16 tion, 2007 (division B of Public Law 109–289, as amend-  
17 ed by Public Law 110–5), \$4,500,000 are rescinded.

18 (b) For an additional amount for the General Serv-  
19 ices Administration, “Office of Inspector General”,  
20 \$4,500,000, to remain available until September 30, 2008.

21 SEC. 5307. Section 21073 of the Continuing Appro-  
22 priations Resolution, 2007 (Public Law 110–5) is amend-  
23 ed by adding a new subsection (j) as follows:

24 “(j) Notwithstanding section 101, any appropriation  
25 or funds made available to the District of Columbia pursu-  
26 ant to this division for ‘Federal Payment for Foster Care

1 Improvement in the District of Columbia' shall be avail-  
2 able in accordance with an expenditure plan submitted by  
3 the Mayor of the District of Columbia not later than 60  
4 days after the enactment of this section which details the  
5 activities to be carried out with such Federal Payment.”.

6

## **CHAPTER 4**

7

### **DEPARTMENT OF HOMELAND SECURITY**

8

#### **GENERAL PROVISIONS—THIS CHAPTER**

9

SEC. 5401. Not to exceed \$30,000,000 from unobli-  
10 gated balances remaining from prior appropriations for  
11 United States Coast Guard, “Retired Pay”, shall remain  
12 available until expended in the account and for the pur-  
13 poses for which the appropriations were provided, includ-  
14 ing the payment of obligations otherwise chargeable to  
15 lapsed or current appropriations for this purpose.

16

SEC. 5402. (a) IN GENERAL.—Any contract, sub-  
17 contract, task or delivery order described in subsection (b)  
18 shall contain the following:

19

(1) A requirement for a technical review of all  
20 designs, design changes, and engineering change  
21 proposals, and a requirement to specifically address  
22 all engineering concerns identified in the review be-  
23 fore the obligation of further funds may occur.

1           (2) A requirement that the Coast Guard main-  
2           tain technical warrant holder authority, or the equiv-  
3           alent, for major assets.

4           (3) A requirement that no procurement subject  
5           to subsection (b) for lead asset production or the im-  
6           plementation of a major design change shall be en-  
7           tered into unless an independent third party with no  
8           financial interest in the development, construction,  
9           or modification of any component of the asset, se-  
10          lected by the Commandant, determines that such ac-  
11          tion is advisable.

12          (4) A requirement for independent life-cycle  
13          cost estimates of lead assets and major design and  
14          engineering changes.

15          (5) A requirement for the measurement of con-  
16          tractor and subcontractor performance based on the  
17          status of all work performed. For contracts under  
18          the Integrated Deepwater Systems program, such  
19          requirement shall include a provision that links  
20          award fees to successful acquisition outcomes (which  
21          shall be defined in terms of cost, schedule, and per-  
22          formance).

23          (6) A requirement that the Commandant of the  
24          Coast Guard assign an appropriate officer or em-  
25          ployee of the Coast Guard to act as chair of each in-

1       integrated product team and higher-level team as-  
2       signed to the oversight of each integrated product  
3       team.

4               (7) A requirement that the Commandant of the  
5       Coast Guard may not award or issue any contract,  
6       task or delivery order, letter contract modification  
7       thereof, or other similar contract, for the acquisition  
8       or modification of an asset under a procurement  
9       subject to subsection (b) unless the Coast Guard and  
10      the contractor concerned have formally agreed to all  
11      terms and conditions or the head of contracting ac-  
12      tivity for the Coast Guard determines that a compel-  
13      ling need exists for the award or issue of such in-  
14      strument.

15      (b) CONTRACTS, SUBCONTRACTS, TASK AND DELIV-  
16      ERY ORDERS COVERED.—Subsection (a) applies to—

17               (1) any major procurement contract, first-tier  
18      subcontract, delivery or task order entered into by  
19      the Coast Guard;

20               (2) any first-tier subcontract entered into under  
21      such a contract; and

22               (3) any task or delivery order issued pursuant  
23      to such a contract or subcontract.

24      (c) EXPENDITURE OF DEEPWATER FUNDS.—Of the  
25      funds available for the Integrated Deepwater Systems pro-

1 gram, \$650,000,000 may not be obligated until the Com-  
2 mittees on Appropriations of the Senate and the House  
3 of Representatives receive an expenditure plan directly  
4 from the Coast Guard that—

5 (1) defines activities, milestones, yearly costs,  
6 and life-cycle costs for each procurement of a major  
7 asset, including an independent cost estimate for  
8 each;

9 (2) identifies life-cycle staffing and training  
10 needs of Coast Guard project managers and of pro-  
11 curement and contract staff;

12 (3) identifies competition to be conducted in  
13 each procurement;

14 (4) describes procurement plans that do not  
15 rely on a single industry entity or contract;

16 (5) contains very limited indefinite delivery/in-  
17 definite quantity contracts and explains the need for  
18 any indefinite delivery/indefinite quantity contracts;

19 (6) complies with all applicable acquisition  
20 rules, requirements, and guidelines, and incorporates  
21 the best systems acquisition management practices  
22 of the Federal Government;

23 (7) complies with the capital planning and in-  
24 vestment control requirements established by the Of-

1        fice of Management and Budget, including circular  
2        A-11, part 7;

3            (8) includes a certification by the head of con-  
4        tracting activity for the Coast Guard and the Chief  
5        Procurement Officer of the Department of Home-  
6        land Security that the Coast Guard has established  
7        sufficient controls and procedures and has sufficient  
8        staffing to comply with all contracting requirements,  
9        and that any conflicts of interest have been suffi-  
10       ciently addressed;

11           (9) includes a description of the process used to  
12        act upon deviations from the contractually specified  
13        performance requirements and clearly explains the  
14        actions taken on such deviations;

15           (10) includes a certification that the Assistant  
16        Commandant of the Coast Guard for Engineering  
17        and Logistics is designated as the technical author-  
18        ity for all engineering, design, and logistics decisions  
19        pertaining to the Integrated Deepwater Systems pro-  
20        gram; and

21           (11) identifies progress in complying with the  
22        requirements of subsection (a).

23        (d) REPORTS.—(1) Not later than 30 days after the  
24        date of enactment of this division, the Commandant of the  
25        Coast Guard shall submit to the Committees on Appro-

1 priations of the Senate and the House of Representatives;  
2 the Committee on Commerce, Science and Transportation  
3 of the Senate; and the Committee on Transportation and  
4 Infrastructure of the House of Representatives: (i) a re-  
5 port on the resources (including training, staff, and exper-  
6 tise) required by the Coast Guard to provide appropriate  
7 management and oversight of the Integrated Deepwater  
8 Systems program; and (ii) a report on how the Coast  
9 Guard will utilize full and open competition for any con-  
10 tract that provides for the acquisition or modification of  
11 assets under, or in support of, the Integrated Deepwater  
12 Systems program, entered into after the date of enactment  
13 of this division.

14 (2) Within 30 days following the submission of the  
15 expenditure plan required under subsection (c), the Gov-  
16 ernment Accountability Office shall review the plan and  
17 brief the Committees on Appropriations of the Senate and  
18 the House of Representatives on its findings.

19 SEC. 5403. None of the funds provided in this divi-  
20 sion or any other Act may be used to alter or reduce oper-  
21 ations within the Civil Engineering Program of the Coast  
22 Guard nationwide, including the civil engineering units,  
23 facilities, design and construction centers, maintenance  
24 and logistics command centers, the Coast Guard Academy  
25 and the Coast Guard Research and Development Center,

1 except as specifically authorized by a statute enacted after  
2 the date of enactment of this division.

3 (INCLUDING RESCISSIONS OF FUNDS)

4 SEC. 5404. (a) RESCISSIONS.—The following unobli-  
5 gated balances made available pursuant to section 505 of  
6 Public Law 109–90 are rescinded: \$1,200,962 from the  
7 “Office of the Secretary and Executive Management”;  
8 \$512,855 from the “Office of the Under Secretary for  
9 Management”; \$461,874 from the “Office of the Chief In-  
10 formation Officer”; \$45,080 from the “Office of the Chief  
11 Financial Officer”; \$968,211 from Preparedness “Man-  
12 agement and Administration”; \$1,215,486 from Science  
13 and Technology “Management and Administration”;  
14 \$450,000 from United States Secret Service “Salaries and  
15 Expenses”; \$450,000 from Federal Emergency Manage-  
16 ment Agency “Administrative and Regional Operations”;  
17 and \$25,595,532 from United States Coast Guard “Oper-  
18 ating Expenses”.

19 (b) ADDITIONAL APPROPRIATIONS.—

20 (1) For an additional amount for United States  
21 Coast Guard “Acquisition, Construction, and Im-  
22 provements”, \$30,000,000, to remain available until  
23 September 30, 2009, to mitigate the Service’s patrol  
24 boat operational gap; and

25 (2) For an additional amount for the “Office of  
26 the Under Secretary for Management”, \$900,000,

1 for an independent study to compare the Depart-  
2 ment of Homeland Security senior career and polit-  
3 ical staffing levels and senior career training pro-  
4 grams with those of similarly structured cabinet-level  
5 agencies.

6 SEC. 5405. (a) IN GENERAL.—With respect to con-  
7 tracts entered into after June 1, 2007, and except as pro-  
8 vided in subsection (b), no entity performing lead system  
9 integrator functions in the acquisition of a major system  
10 by the Department of Homeland Security may have any  
11 direct financial interest in the development or construction  
12 of any individual system or element of any system of sys-  
13 tems.

14 (b) EXCEPTION.—An entity described in subsection  
15 (a) may have a direct financial interest in the development  
16 or construction of an individual system or element of a  
17 system of systems if—

18 (1) the Secretary of Homeland Security cer-  
19 tifies to the Committees on Appropriations of the  
20 Senate and the House of Representatives, the Com-  
21 mittee on Homeland Security of the House of Rep-  
22 resentatives, the Committee on Transportation and  
23 Infrastructure of the House of Representatives, the  
24 Committee on Homeland Security and Governmental  
25 Affairs of the Senate, and the Committee on Com-

1 merce, Science and Transportation of the Senate  
2 that—

3 (A) the entity was selected by the Depart-  
4 ment of Homeland Security as a contractor to  
5 develop or construct the system or element con-  
6 cerned through the use of competitive proce-  
7 dures; and

8 (B) the Department took appropriate steps  
9 to prevent any organizational conflict of interest  
10 in the selection process; or

11 (2) the entity was selected by a subcontractor  
12 to serve as a lower-tier subcontractor, through a  
13 process over which the entity exercised no control.

14 (c) CONSTRUCTION.—Nothing in this section shall be  
15 construed to preclude an entity described in subsection (a)  
16 from performing work necessary to integrate two or more  
17 individual systems or elements of a system of systems with  
18 each other.

19 (d) REGULATIONS UPDATE.—Not later than June 1,  
20 2007, the Secretary of Homeland Security shall update  
21 the acquisition regulations of the Department of Home-  
22 land Security in order to specify fully in such regulations  
23 the matters with respect to lead system integrators set  
24 forth in this section. Included in such regulations shall be:  
25 (1) a precise and comprehensive definition of the term

1 “lead system integrator”, modeled after that used by the  
2 Department of Defense; and (2) a specification of various  
3 types of contracts and fee structures that are appropriate  
4 for use by lead system integrators in the production, field-  
5 ing, and sustainment of complex systems.

6

## **CHAPTER 5**

7

### **GENERAL PROVISIONS—THIS CHAPTER**

8

9 SEC. 5501. Section 20515 of the Continuing Appro-  
10 priations Resolution, 2007 (division B of Public Law 109-  
11 289, as amended by Public Law 110-5) is amended by  
12 inserting before the period: “; and of which, not to exceed  
13 \$143,628,000 shall be available for contract support costs  
14 under the terms and conditions contained in Public Law  
15 109-54”.

16 SEC. 5502. Section 20512 of the Continuing Appro-  
17 priations Resolution, 2007 (division B of Public Law 109-  
18 289, as amended by Public Law 110-5) is amended by  
19 inserting after the first dollar amount: “, of which not to  
20 exceed \$7,300,000 shall be transferred to the ‘Indian  
21 Health Facilities’ account; the amount in the second pro-  
22 viso shall be \$18,000,000; the amount in the third proviso  
23 shall be \$525,099,000; the amount in the ninth proviso  
24 shall be \$269,730,000; and the \$15,000,000 allocation of  
funding under the eleventh proviso shall not be required”.



## OFFICE OF THE DIRECTOR

## (TRANSFER OF FUNDS)

1  
2  
3 Of the amount provided by the Continuing Appro-  
4 priations Resolution, 2007 (division B of Public Law 109–  
5 289, as amended by Public Law 110–5) for “Office of the  
6 Director”, \$49,500,000 shall be transferred to “Public  
7 Health and Social Services Emergency Fund” to carry out  
8 activities relating to advanced research and development  
9 as provided by section 319L of the Public Health Service  
10 Act.

## NATIONAL COUNCIL ON DISABILITY

## SALARIES AND EXPENSES

11  
12  
13 For an additional amount for “Salaries and Ex-  
14 penses”, \$300,000, to remain available until expended, for  
15 necessary expenses related to the requirements of the  
16 Post-Katrina Emergency Management Reform Act of  
17 2006, as enacted by the Department of Homeland Secu-  
18 rity Appropriations Act, 2007 (Public Law 109–295).

## GENERAL PROVISIONS—THIS CHAPTER

## (INCLUDING TRANSFERS OF FUNDS AND RESCISSION)

19  
20  
21 SEC. 5601. Section 20602 of the Continuing Appro-  
22 priations Resolution, 2007 (division B of Public Law 109–  
23 289, as amended by Public Law 110–5) is amended by  
24 inserting the following after “\$5,000,000”: “(together  
25 with an additional \$7,000,000 which shall be transferred  
26 by the Pension Benefit Guaranty Corporation as an au-

1 thORIZED administrative cost), to remain available through  
2 September 30, 2008,”.

3 SEC. 5602. Section 20607 of the Continuing Appro-  
4 priations Resolution, 2007 (division B of Public Law 109–  
5 289, as amended by Public Law 110–5) is amended by  
6 inserting “of which \$9,666,000 shall be for the Women’s  
7 Bureau,” after “for child labor activities,”.

8 SEC. 5603. Of the amount provided for “Department  
9 of Health and Human Services, Health Resources and  
10 Services Administration, Health Resources and Services”  
11 in the Continuing Appropriations Resolution, 2007 (divi-  
12 sion B of Public Law 109–289, as amended by Public Law  
13 110–5), \$23,000,000 shall be for Poison Control Centers.

14 SEC. 5604. From the amounts made available by the  
15 Continuing Appropriations Resolution, 2007 (division B of  
16 Public Law 109–289, as amended by Public Law 110–  
17 5) for the Office of the Secretary, General Departmental  
18 Management under the Department of Health and Human  
19 Services, \$1,000,000 are rescinded.

20 SEC. 5605. Section 20625(b)(1) of the Continuing  
21 Appropriations Resolution, 2007 (division B of Public  
22 Law 109–289, as amended by Public Law 110–5) is  
23 amended by—

24 (1) striking “\$7,172,994,000” and inserting  
25 “\$7,176,431,000”;

1           (2) amending subparagraph (A) to read as fol-  
2           lows: “(A) \$5,454,824,000 shall be for basic grants  
3           under section 1124 of the Elementary and Sec-  
4           ondary Education Act of 1965 (ESEA), of which up  
5           to \$3,437,000 shall be available to the Secretary of  
6           Education on October 1, 2006, to obtain annually  
7           updated educational-agency-level census poverty data  
8           from the Bureau of the Census;” and

9           (3) amending subparagraph (C) to read as fol-  
10          lows: “(C) not to exceed \$2,352,000 may be avail-  
11          able for section 1608 of the ESEA and for a clear-  
12          inghouse on comprehensive school reform under part  
13          D of title V of the ESEA;”.

14          SEC. 5606. The provision in the first proviso under  
15          the heading “Rehabilitation Services and Disability Re-  
16          search” in the Department of Education Appropriations  
17          Act, 2006, relating to alternative financing programs  
18          under section 4(b)(2)(D) of the Assistive Technology Act  
19          of 1998 shall not apply to funds appropriated by the Con-  
20          tinuing Appropriations Resolution, 2007.

21          SEC. 5607. Notwithstanding sections 20639 and  
22          20640 of the Continuing Appropriations Resolution, 2007,  
23          as amended by section 2 of the Revised Continuing Appro-  
24          priations Resolution, 2007 (Public Law 110–5), the Chief  
25          Executive Officer of the Corporation for National and

1 Community Service may transfer an amount of not more  
2 than \$1,360,000 from the account under the heading  
3 “National and Community Service Programs, Operating  
4 Expenses” under the heading “Corporation for National  
5 and Community Service”, to the account under the head-  
6 ing “Salaries and Expenses” under the heading “Corpora-  
7 tion for National and Community Service”.

8 SEC. 5608. (a) Section 1310.12(a) of title 45, Code  
9 of Federal Regulations, shall take effect 30 days after the  
10 date of enactment of this division.

11 (b)(1) Notwithstanding subsection (a), any vehicle  
12 used to transport children for a Head Start program as  
13 of January 1, 2007, shall not be subject to a requirement  
14 under such section (including a requirement based on the  
15 definitions set forth or referenced in section 1310.3 or any  
16 other provision set forth or referenced in part 1310 of  
17 such title, or any corresponding similar regulation or rul-  
18 ing) regarding rear emergency exit doors, for 1 year after  
19 that date of enactment.

20 (2) Not later than 60 days after the National High-  
21 way Traffic Safety Administration of the Department of  
22 Transportation submits its study on occupant protection  
23 on Head Start transit vehicles (related to Government Ac-  
24 countability Office report GAO–06–767R), the Secretary  
25 of Health and Human Services shall review and shall re-

1 vise as necessary the allowable alternate vehicle standards  
2 described in that part 1310 (or any corresponding similar  
3 regulation or ruling) relating to allowable alternate vehi-  
4 cles used to transport children for a Head Start program.  
5 In making any such revision, the Secretary shall revise  
6 the standards to be consistent with the findings contained  
7 in such study, including making a determination on the  
8 exemption of such a vehicle from Federal seat spacing re-  
9 quirements, and Federal supporting seating requirements  
10 related to compartmentalization, if such vehicle meets all  
11 other applicable Federal motor vehicle safety standards,  
12 including standards for seating systems, occupant crash  
13 protection, seat belt assemblies, and child restraint an-  
14 chorage systems consistent with that part 1310 (or any  
15 corresponding similar regulation or ruling).

16 (3) Notwithstanding subsection (a), until such date  
17 as the Secretary of Health and Human Services completes  
18 the review and any necessary revision specified in para-  
19 graph (2), the provisions of section 1310.12(a) relating  
20 to Federal seat spacing requirements, and Federal sup-  
21 porting seating requirements related to  
22 compartmentalization, for allowable alternate vehicles  
23 used to transport children for a Head Start program, shall  
24 not apply to such a vehicle if such vehicle meets all other

1 applicable Federal motor vehicle safety standards, as de-  
2 scribed in paragraph (2).

3 SEC. 5609. (a)(1) Section 3(37)(G) of the Employee  
4 Retirement Income Security Act of 1974 (29 U.S.C.  
5 1002(37)(G)) (as amended by section 1106(a) of the Pen-  
6 sion Protection Act of 2006) is amended—

7 (A) in clause (i)(II)(aa), by striking “for each  
8 of the 3 plan years immediately before the date of  
9 the enactment of the Pension Protection Act of  
10 2006,” and inserting “for each of the 3 plan years  
11 immediately preceding the first plan year for which  
12 the election under this paragraph is effective with  
13 respect to the plan,”;

14 (B) in clause (ii), by striking “starting with the  
15 first plan year ending after the date of the enact-  
16 ment of the Pension Protection Act of 2006” and in-  
17 sserting “starting with any plan year beginning on or  
18 after January 1, 1999, and ending before January  
19 1, 2008, as designated by the plan in the election  
20 made under clause (i)(II)”;

21 (C) by adding at the end the following new  
22 clause:

23 “(vii) For purposes of this Act and the Internal Rev-  
24 enue Code of 1986, a plan making an election under this  
25 subparagraph shall be treated as maintained pursuant to

1 a collective bargaining agreement if a collective bargaining  
2 agreement, expressly or otherwise, provides for or permits  
3 employer contributions to the plan by one or more employ-  
4 ers that are signatory to such agreement, or participation  
5 in the plan by one or more employees of an employer that  
6 is signatory to such agreement, regardless of whether the  
7 plan was created, established, or maintained for such em-  
8 ployees by virtue of another document that is not a collec-  
9 tive bargaining agreement.”.

10 (2) Paragraph (6) of section 414(f) of the Internal  
11 Revenue Code of 1986 (relating to election with regard  
12 to multiemployer status) (as amended by section 1106(b)  
13 of the Pension Protection Act of 2006) is amended—

14 (A) in subparagraph (A)(ii)(I), by striking “for  
15 each of the 3 plan years immediately before the date  
16 of enactment of the Pension Protection Act of  
17 2006,” and inserting “for each of the 3 plan years  
18 immediately preceding the first plan year for which  
19 the election under this paragraph is effective with  
20 respect to the plan,”;

21 (B) in subparagraph (B), by striking “starting  
22 with the first plan year ending after the date of the  
23 enactment of the Pension Protection Act of 2006”  
24 and inserting “starting with any plan year beginning  
25 on or after January 1, 1999, and ending before Jan-

1 uary 1, 2008, as designated by the plan in the elec-  
2 tion made under subparagraph (A)(ii)”; and

3 (C) by adding at the end the following new sub-  
4 paragraph:

5 “(F) MAINTENANCE UNDER COLLECTIVE  
6 BARGAINING AGREEMENT.—For purposes of  
7 this title and the Employee Retirement Income  
8 Security Act of 1974, a plan making an election  
9 under this paragraph shall be treated as main-  
10 tained pursuant to a collective bargaining  
11 agreement if a collective bargaining agreement,  
12 expressly or otherwise, provides for or permits  
13 employer contributions to the plan by one or  
14 more employers that are signatory to such  
15 agreement, or participation in the plan by one  
16 or more employees of an employer that is signa-  
17 tory to such agreement, regardless of whether  
18 the plan was created, established, or maintained  
19 for such employees by virtue of another docu-  
20 ment that is not a collective bargaining agree-  
21 ment.”.

22 (b)(1) Clause (vi) of section 3(37)(G) of the Em-  
23 ployee Retirement Income Security Act of 1974 (as  
24 amended by section 1106(a) of the Pension Protection Act  
25 of 2006) is amended by striking “if it is a plan—” and

1 all that follows and inserting the following: “if it is a plan  
2 sponsored by an organization which is described in section  
3 501(c)(5) of the Internal Revenue Code of 1986 and ex-  
4 empt from tax under section 501(a) of such Code and  
5 which was established in Chicago, Illinois, on August 12,  
6 1881.”.

7 (2) Subparagraph (E) of section 414(f)(6) of the In-  
8 ternal Revenue Code of 1986 (as amended by section  
9 1106(b) of the Pension Protection Act of 2006) is amend-  
10 ed by striking “if it is a plan—” and all that follows and  
11 inserting the following: “if it is a plan sponsored by an  
12 organization which is described in section 501(c)(5) and  
13 exempt from tax under section 501(a) and which was es-  
14 tablished in Chicago, Illinois, on August 12, 1881.”.

15 (c) The amendments made by this section shall take  
16 effect as if included in section 1106 of the Pension Protec-  
17 tion Act of 2006.

18 SEC. 5610. (a) Subclause (III) of section  
19 420(f)(2)(E)(i) of the Internal Revenue Code of 1986 is  
20 amended by striking “subsection (c)(2)(E)(ii)(II)” and in-  
21 serting “subsection (c)(3)(E)(ii)(II)”.

22 (b) Section 420(e)(2)(B) of the Internal Revenue  
23 Code of 1986 is amended by striking “funding shortfall”  
24 and inserting “funding target”.

1           (c) The amendments made by this section shall take  
2 effect as if included in the provisions of the Pension Pro-  
3 tection Act of 2006 to which they relate.

4           SEC. 5611. (a) Subparagraph (A) of section  
5 420(c)(3) of the Internal Revenue Code of 1986 is amend-  
6 ed by striking “transfer.” and inserting “transfer or, in  
7 the case of a transfer which involves a plan maintained  
8 by an employer described in subsection (f)(2)(E)(i)(III),  
9 if the plan meets the requirements of subsection  
10 (f)(2)(D)(i)(II).”.

11          (b) The amendment made by subsection (a) shall  
12 apply to transfers after the date of the enactment of this  
13 division.

14           SEC. 5612. (a) Section 402(i)(1) of the Pension Pro-  
15 tection Act of 2006 is amended by striking “December 28,  
16 2007” and inserting “January 1, 2008”.

17          (b) The amendment made by subsection (a) shall take  
18 effect as if included in section 402 of the Pension Protec-  
19 tion Act of 2006.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## **CHAPTER 7**

### LEGISLATIVE BRANCH

#### HOUSE OF REPRESENTATIVES

##### PAYMENT TO WIDOWS AND HEIRS OF DECEASED

##### MEMBERS OF CONGRESS

For payment to Gloria W. Norwood, widow of Charles W. Norwood, Jr., late a Representative from the State of Georgia, \$165,200.

For payment to James McDonald, Jr., widower of Juanita Millender-McDonald, late a Representative from the State of California, \$165,200.

## **CHAPTER 8**

### GENERAL PROVISIONS—THIS CHAPTER

#### TECHNICAL AMENDMENT

SEC. 5801. (a) Notwithstanding any other provision of law, subsection (c) under the heading “Assistance for the Independent States of the Former Soviet Union” in Public Law 109–102, shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007 (Public Law 109–289, division B) as amended by Public Laws 109–369, 109–383, and 110–5.

(b) Section 534(k) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102) is amended, in the second proviso, by inserting after “subsection (b) of that section”

1 the following: “and the requirement that a majority of the  
2 members of the board of directors be United States citi-  
3 zens provided in subsection (d)(3)(B) of that section”.

4 (c) Subject to section 101(c)(2) of the Continuing  
5 Appropriations Resolution, 2007 (division B of Public  
6 Law 109–289, as amended by Public Law 110–5), the  
7 amount of funds appropriated for “Foreign Military Fi-  
8 nancing Program” pursuant to such Resolution shall be  
9 construed to be the total of the amount appropriated for  
10 such program by section 20401 of that Resolution and the  
11 amount made available for such program by section 591  
12 of the Foreign Operations, Export Financing, and Related  
13 Programs Appropriations Act, 2006 (Public Law 109–  
14 102) which is made applicable to the fiscal year 2007 by  
15 the provisions of such Resolution.

16 SEC. 5802. Notwithstanding any provision of title I  
17 of division B of the Continuing Appropriations Resolution,  
18 2007 (division B of Public Law 109–289, as amended by  
19 Public Laws 109–369, 109–383, and 110–5), the dollar  
20 amount limitation of the first proviso under the heading,  
21 “Administration of Foreign Affairs, Diplomatic and Con-  
22 sular Programs”, in title IV of the Science, State, Justice,  
23 Commerce, and Related Agencies Appropriations Act,  
24 2006 (Public Law 109–108; 119 Stat. 2319) shall not

1 apply to funds appropriated under such heading for fiscal  
2 year 2007.

3 **CHAPTER 9**

4 DEPARTMENT OF HOUSING AND URBAN  
5 DEVELOPMENT

6 OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

7 SALARIES AND EXPENSES

8 (INCLUDING TRANSFER OF FUNDS)

9 For an additional amount to carry out the Federal  
10 Housing Enterprises Financial Safety and Soundness Act  
11 of 1992, \$6,150,000, to remain available until expended,  
12 to be derived from the Federal Housing Enterprises Over-  
13 sight Fund and to be subject to the same terms and condi-  
14 tions pertaining to funds provided under this heading in  
15 Public Law 109–115: *Provided*, That not to exceed the  
16 total amount provided for these activities for fiscal year  
17 2007 shall be available from the general fund of the Treas-  
18 ury to the extent necessary to incur obligations and make  
19 expenditures pending the receipt of collections to the  
20 Fund: *Provided further*, That the general fund amount  
21 shall be reduced as collections are received during the fis-  
22 cal year so as to result in a final appropriation from the  
23 general fund estimated at not more than \$0.

24 GENERAL PROVISIONS—THIS CHAPTER

25 SEC. 5901. Hereafter, funds limited or appropriated  
26 for the Department of Transportation may be obligated

1 or expended to grant authority to a Mexican motor carrier  
2 to operate beyond United States municipalities and com-  
3 mercial zones on the United States-Mexico border only to  
4 the extent that—

5 (1) granting such authority is first tested as  
6 part of a pilot program;

7 (2) such pilot program complies with the re-  
8 quirements of section 350 of Public Law 107–87  
9 and the requirements of section 31315(c) of title 49,  
10 United States Code, related to pilot programs; and

11 (3) simultaneous and comparable authority to  
12 operate within Mexico is made available to motor  
13 carriers domiciled in the United States.

14 SEC. 5902. Funds provided for the “National Trans-  
15 portation Safety Board, Salaries and Expenses” in section  
16 21031 of the Continuing Appropriations Resolution, 2007  
17 (division B of Public Law 109–289, as amended by Public  
18 Law 110–5) include amounts necessary to make lease pay-  
19 ments due in fiscal year 2007 only, on an obligation in-  
20 curred in 2001 under a capital lease.

21 SEC. 5903. Section 21033 of the Continuing Appro-  
22 priations Resolution, 2007 (division B of Public Law 109–  
23 289, as amended by Public Law 110–5) is amended by  
24 adding after the second proviso: “: *Provided further*, That  
25 paragraph (2) under such heading in Public Law 109–

1 115 (119 Stat. 2441) shall be funded at \$149,300,000,  
2 but additional section 8 tenant protection rental assistance  
3 costs may be funded in 2007 by using unobligated bal-  
4 ances, notwithstanding the purposes for which such  
5 amounts were appropriated, including recaptures and car-  
6 ryover, remaining from funds appropriated to the Depart-  
7 ment of Housing and Urban Development under this  
8 heading, the heading ‘Annual Contributions for Assisted  
9 Housing’, the heading ‘Housing Certificate Fund’, and the  
10 heading ‘Project-Based Rental Assistance’ for fiscal year  
11 2006 and prior fiscal years: *Provided further*, That para-  
12 graph (3) under such heading in Public Law 109–115  
13 (119 Stat. 2441) shall be funded at \$47,500,000: *Pro-*  
14 *vided further*, That paragraph (4) under such heading in  
15 Public Law 109–115 (119 Stat. 2441) shall be funded at  
16 \$5,900,000: *Provided further*, That paragraph (5) under  
17 such heading in Public Law 109–115 (119 Stat. 2441)  
18 shall be funded at \$1,281,100,000, of which  
19 \$1,251,100,000 shall be allocated for the calendar year  
20 2007 funding cycle on a pro rata basis to public housing  
21 agencies based on the amount public housing agencies  
22 were eligible to receive in calendar year 2006, and of which  
23 up to \$30,000,000 shall be available to the Secretary to  
24 allocate to public housing agencies that need additional  
25 funds to administer their section 8 programs, with up to

1 \$20,000,000 to be for fees associated with section 8 tenant  
2 protection rental assistance”.

3 SEC. 5904. Section 232(b) of the Departments of  
4 Veterans Affairs and Housing and Urban Development,  
5 and Independent Agencies Appropriations Act, 2001  
6 (Public Law 106–377) is amended to read as follows:

7 “(b) APPLICABILITY.—In the case of any dwelling  
8 unit that, upon the date of the enactment of this Act, is  
9 assisted under a housing assistance payment contract  
10 under section 8(o)(13) as in effect before such enactment,  
11 or under section 8(d)(2) of the United States Housing Act  
12 of 1937 (42 U.S.C. 1437f(d)(2)) as in effect before the  
13 enactment of the Quality Housing and Work Responsi-  
14 bility Act of 1998 (title V of Public Law 105–276), assist-  
15 ance may be renewed or extended under such section  
16 8(o)(13), as amended by subsection (a), provided that the  
17 initial contract term and rent of such renewed or extended  
18 assistance shall be determined pursuant to subparagraphs  
19 (F) and (H), and subparagraphs (C) and (D) of such sec-  
20 tion shall not apply to such extensions or renewals.”.

**CHAPTER 10**

## GENERAL PROVISIONS—THIS DIVISION

## AVAILABILITY OF FUNDS

SEC. 5951. No part of any appropriation contained in this division shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

## DESIGNATION FOR TITLES I AND II

SEC. 5952. Amounts in titles I and II are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and as making appropriations for contingency operations directly related to the global war on terrorism and other unanticipated defense-related operations pursuant to section 402 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

## EMERGENCY DESIGNATION FOR OTHER TITLES

SEC. 5953. Amounts in titles III, IV, and VI are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and pursuant to section 501 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

1 **TITLE VI—ELIMINATION OF**  
 2 **SCHIP SHORTFALL AND**  
 3 **OTHER HEALTH MATTERS**

4 DEPARTMENT OF HEALTH AND HUMAN  
 5 SERVICES

6 CENTERS FOR MEDICARE AND MEDICAID SERVICES

7 STATE CHILDREN’S HEALTH INSURANCE FUND

8 For an additional amount to provide additional allot-  
 9 ments to remaining shortfall States under section  
 10 2104(h)(4) of the Social Security Act, as inserted by sec-  
 11 tion 6001, such sums as may be necessary, but not to ex-  
 12 ceed \$650,000,000 for fiscal year 2007, to remain avail-  
 13 able until expended.

14 GENERAL PROVISIONS—THIS TITLE

15 SEC. 6001. (a) ELIMINATION OF REMAINDER OF  
 16 SCHIP FUNDING SHORTFALLS, TIERED MATCH, AND  
 17 OTHER LIMITATION ON EXPENDITURES.—Section  
 18 2104(h) of the Social Security Act (42 U.S.C. 1397dd(h)),  
 19 as added by section 201(a) of the National Institutes of  
 20 Health Reform Act of 2006 (Public Law 109–482), is  
 21 amended—

22 (1) in the heading for paragraph (2), by strik-  
 23 ing “REMAINDER OF REDUCTION” and inserting  
 24 “PART”; and

1           (2) by striking paragraph (4) and inserting the  
2 following:

3           “(4) ADDITIONAL AMOUNTS TO ELIMINATE RE-  
4 MAINDER OF FISCAL YEAR 2007 FUNDING SHORT-  
5 FALLS.—

6           “(A) IN GENERAL.—From the amounts  
7 provided in advance in appropriations Acts, the  
8 Secretary shall allot to each remaining shortfall  
9 State described in subparagraph (B) such  
10 amount as the Secretary determines will elimi-  
11 nate the estimated shortfall described in such  
12 subparagraph for the State for fiscal year 2007.

13           “(B) REMAINING SHORTFALL STATE DE-  
14 SCRIBED.—For purposes of subparagraph (A),  
15 a remaining shortfall State is a State with a  
16 State child health plan approved under this title  
17 for which the Secretary estimates, on the basis  
18 of the most recent data available to the Sec-  
19 retary as of the date of the enactment of this  
20 paragraph, that the projected Federal expendi-  
21 tures under such plan for the State for fiscal  
22 year 2007 will exceed the sum of—

23           “(i) the amount of the State’s allot-  
24 ments for each of fiscal years 2005 and

1           2006 that will not be expended by the end  
2           of fiscal year 2006;

3           “(ii) the amount of the State’s allot-  
4           ment for fiscal year 2007; and

5           “(iii) the amounts, if any, that are to  
6           be redistributed to the State during fiscal  
7           year 2007 in accordance with paragraphs  
8           (1) and (2).”.

9           (b) CONFORMING AMENDMENTS.—Section 2104(h)  
10          of such Act (42 U.S.C. 1397dd(h)) (as so added), is  
11          amended—

12                 (1) in paragraph (1)(B), by striking “subject to  
13                 paragraph (4)(B) and”;

14                 (2) in paragraph (2)(B), by striking “subject to  
15                 paragraph (4)(B) and”;

16                 (3) in paragraph (5)(A), by striking “and (3)”  
17                 and inserting “(3), and (4)”; and

18                 (4) in paragraph (6)—

19                         (A) in the first sentence—

20                                 (i) by inserting “or allotted” after  
21                                 “redistributed”; and

22                                 (ii) by inserting “or allotments” after  
23                                 “redistributions”; and

24                                 (B) by striking “and (3)” and inserting  
25                                 “(3), and (4)”.

1 SEC. 6002. (a) PROHIBITION.—

2 (1) LIMITATION ON SECRETARIAL AUTHOR-  
3 ITY.—Notwithstanding any other provision of law,  
4 the Secretary of Health and Human Services shall  
5 not, prior to the date that is 1 year after the date  
6 of enactment of this division, take any action  
7 (through promulgation of regulation, issuance of  
8 regulatory guidance, or other administrative action)  
9 to—

10 (A) finalize or otherwise implement provi-  
11 sions contained in the proposed rule published  
12 on January 18, 2007, on pages 2236 through  
13 2248 of volume 72, Federal Register (relating  
14 to parts 433, 447, and 457 of title 42, Code of  
15 Federal Regulations);

16 (B) promulgate or implement any rule or  
17 provisions similar to the provisions described in  
18 subparagraph (A) pertaining to the Medicaid  
19 program established under title XIX of the So-  
20 cial Security Act or the State Children’s Health  
21 Insurance Program established under title XXI  
22 of such Act; or

23 (C) promulgate or implement any rule or  
24 provisions restricting payments for graduate  
25 medical education under the Medicaid program.

1           (2) CONTINUATION OF OTHER SECRETARIAL  
2           AUTHORITY.—The Secretary of Health and Human  
3           Service shall not be prohibited during the period de-  
4           scribed in paragraph (1) from taking any action  
5           (through promulgation of regulation, issuance of  
6           regulatory guidance, or other administrative action)  
7           to enforce a provision of law in effect as of the date  
8           of enactment of this division with respect to the  
9           Medicaid program or the State Children’s Health In-  
10          surance Program, or to promulgate or implement a  
11          new rule or provision during such period with re-  
12          spect to such programs, other than a rule or provi-  
13          sion described in paragraph (1) and subject to the  
14          prohibition set forth in that paragraph.

15          (b) REQUIREMENT FOR USE OF TAMPER-RESISTANT  
16          PRESCRIPTION PADS UNDER THE MEDICAID PRO-  
17          GRAM.—

18               (1) IN GENERAL.—Section 1903(i) of the Social  
19          Security Act (42 U.S.C. 1396b(i)) is amended—

20                       (A) by striking “or” at the end of para-  
21                       graph (21);

22                       (B) by striking the period at the end of  
23                       paragraph (22) and inserting “; or”; and

24                       (C) by inserting after paragraph (22) the  
25                       following new paragraph:

1           “(23) with respect to amounts expended for  
2           medical assistance for covered outpatient drugs (as  
3           defined in section 1927(k)(2)) for which the pre-  
4           scription was executed in written (and non-elec-  
5           tronic) form unless the prescription was executed on  
6           a tamper-resistant pad.”.

7           (2) EFFECTIVE DATE.—The amendments made  
8           by paragraph (1) shall apply to prescriptions exe-  
9           cuted after September 30, 2007.

10          (c) EXTENSION OF CERTAIN PHARMACY PLUS WAIV-  
11          ERS.—

12           (1) AUTHORITY TO CONTINUE TO OPERATE  
13           WAIVERS.—Notwithstanding any other provision of  
14           law, any State that is operating a Pharmacy Plus  
15           waiver described in paragraph (2) which would oth-  
16           erwise expire on June 30, 2007, may elect to con-  
17           tinue to operate the waiver through December 31,  
18           2009.

19           (2) PHARMACY PLUS WAIVER DESCRIBED.—For  
20           purposes of paragraph (1), a Pharmacy Plus waiver  
21           described in this paragraph is a waiver approved by  
22           the Secretary of Health and Human Services under  
23           the authority of section 1115 of the Social Security  
24           Act (42 U.S.C. 1315) that provides coverage for pre-  
25           scription drugs for individuals who have attained age

1       65 and whose family income does not exceed 200  
2       percent of the poverty line (as defined in section  
3       2110(c)(5) of such Act (42 U.S.C. 1397jj(c)(5)).

4       **TITLE VII—FAIR MINIMUM WAGE**  
5                                   **AND TAX RELIEF**

6       **Subtitle A—Fair Minimum Wage**

7       **SEC. 7101. SHORT TITLE.**

8       This subtitle may be cited as the “Fair Minimum  
9       Wage Act of 2007”.

10      **SEC. 7102. MINIMUM WAGE.**

11       (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor  
12       Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended  
13       to read as follows:

14               “(1) except as otherwise provided in this sec-  
15       tion, not less than—

16                       “(A) \$5.85 an hour, beginning on the 60th  
17                       day after the date of enactment of the Fair  
18                       Minimum Wage Act of 2007;

19                       “(B) \$6.55 an hour, beginning 12 months  
20                       after that 60th day; and

21                       “(C) \$7.25 an hour, beginning 24 months  
22                       after that 60th day;”.

23       (b) EFFECTIVE DATE.—The amendment made by  
24       subsection (a) shall take effect 60 days after the date of  
25       enactment of this division.

1 **SEC. 7103. APPLICABILITY OF MINIMUM WAGE TO AMER-**  
2 **ICAN SAMOA AND THE COMMONWEALTH OF**  
3 **THE NORTHERN MARIANA ISLANDS.**

4 (a) IN GENERAL.—Section 6 of the Fair Labor  
5 Standards Act of 1938 (29 U.S.C. 206) shall apply to  
6 American Samoa and the Commonwealth of the Northern  
7 Mariana Islands.

8 (b) TRANSITION.—Notwithstanding subsection (a)—

9 (1) the minimum wage applicable to the Com-  
10 monwealth of the Northern Mariana Islands under  
11 section 6(a)(1) of the Fair Labor Standards Act of  
12 1938 (29 U.S.C. 206(a)(1)) shall be—

13 (A) \$3.55 an hour, beginning on the 60th  
14 day after the date of enactment of this division;  
15 and

16 (B) increased by \$0.50 an hour (or such  
17 lesser amount as may be necessary to equal the  
18 minimum wage under section 6(a)(1) of such  
19 Act), beginning 1 year after the date of enact-  
20 ment of this division and each year thereafter  
21 until the minimum wage applicable to the Com-  
22 monwealth of the Northern Mariana Islands  
23 under this paragraph is equal to the minimum  
24 wage set forth in such section; and

25 (2) the minimum wage applicable to American  
26 Samoa under section 6(a)(1) of the Fair Labor

1 Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall  
2 be—

3 (A) the applicable wage rate in effect for  
4 each industry and classification under section  
5 697 of title 29, Code of Federal Regulations, on  
6 the date of enactment of this division;

7 (B) increased by \$0.50 an hour, beginning  
8 on the 60th day after the date of enactment of  
9 this division; and

10 (C) increased by \$0.50 an hour (or such  
11 lesser amount as may be necessary to equal the  
12 minimum wage under section 6(a)(1) of such  
13 Act), beginning 1 year after the date of enact-  
14 ment of this division and each year thereafter  
15 until the minimum wage applicable to American  
16 Samoa under this paragraph is equal to the  
17 minimum wage set forth in such section.

18 (c) CONFORMING AMENDMENTS.—

19 (1) IN GENERAL.—The Fair Labor Standards  
20 Act of 1938 is amended—

21 (A) by striking sections 5 and 8; and

22 (B) in section 6(a), by striking paragraph  
23 (3) and redesignating paragraphs (4) and (5)  
24 as paragraphs (3) and (4), respectively.

1           (2) EFFECTIVE DATE.—The amendments made  
2           by this subsection shall take effect 60 days after the  
3           date of enactment of this division.

4 **SEC. 7104. STUDY ON PROJECTED IMPACT.**

5           (a) STUDY.—Beginning on the date that is 26  
6           months after the date of enactment of this division, the  
7           Secretary of Labor shall, through the Bureau of Labor  
8           Statistics, conduct a study to—

9                   (1) assess the assess the impact of the wage in-  
10           creases required by this division through such date;  
11           and

12                   (2) to project the impact of any further wage  
13           increase,

14           on living standards and rates of employment in American  
15           Samoa and the Commonwealth of the Northern Mariana  
16           Islands.

17           (b) REPORT.—Not later than the date that is 32  
18           months after the date of enactment of this division, the  
19           Secretary of Labor shall transmit to Congress a report  
20           on the findings of the study required by subsection (a).

1       **Subtitle B—Small Business Tax**  
 2                   **Incentives**

3       **SEC. 7201. SHORT TITLE; AMENDMENT OF CODE; TABLE OF**  
 4                   **CONTENTS.**

5           (a) **SHORT TITLE.**—This subtitle may be cited as the  
 6 “Small Business and Work Opportunity Tax Act of  
 7 2007”.

8           (b) **AMENDMENT OF 1986 CODE.**—Except as other-  
 9 wise expressly provided, whenever in this subtitle an  
 10 amendment or repeal is expressed in terms of an amend-  
 11 ment to, or repeal of, a section or other provision, the ref-  
 12 erence shall be considered to be made to a section or other  
 13 provision of the Internal Revenue Code of 1986.

14           (c) **TABLE OF CONTENTS.**—The table of contents of  
 15 this subtitle is as follows:

Sec. 7201. Short title; amendment of Code; table of contents.

PART 1—SMALL BUSINESS TAX RELIEF PROVISIONS

SUBPART A—GENERAL PROVISIONS

Sec. 7211. Extension and modification of work opportunity tax credit.

Sec. 7212. Extension and increase of expensing for small business.

Sec. 7213. Determination of credit for certain taxes paid with respect to em-  
 ployee cash tips.

Sec. 7214. Waiver of individual and corporate alternative minimum tax limits  
 on work opportunity credit and credit for taxes paid with re-  
 spect to employee cash tips.

Sec. 7215. Family business tax simplification.

SUBPART B—GULF OPPORTUNITY ZONE TAX INCENTIVES

Sec. 7221. Extension of increased expensing for qualified section 179 Gulf Op-  
 portunity Zone property.

Sec. 7222. Extension and expansion of low-income housing credit rules for  
 buildings in the GO Zones.

Sec. 7223. Special tax-exempt bond financing rule for repairs and reconstruc-  
 tions of residences in the GO Zones.

Sec. 7224. GAO study of practices employed by State and local governments in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005.

SUBPART C—SUBCHAPTER S PROVISIONS

Sec. 7231. Capital gain of S corporation not treated as passive investment income.

Sec. 7232. Treatment of bank director shares.

Sec. 7233. Special rule for bank required to change from the reserve method of accounting on becoming S corporation.

Sec. 7234. Treatment of the sale of interest in a qualified subchapter S subsidiary.

Sec. 7235. Elimination of all earnings and profits attributable to pre-1983 years for certain corporations.

Sec. 7236. Deductibility of interest expense on indebtedness incurred by an electing small business trust to acquire S corporation stock.

PART 2—REVENUE PROVISIONS

Sec. 7241. Increase in age of children whose unearned income is taxed as if parent's income.

Sec. 7242. Suspension of certain penalties and interest.

Sec. 7243. Modification of collection due process procedures for employment tax liabilities.

Sec. 7244. Permanent extension of IRS user fees.

Sec. 7245. Increase in penalty for bad checks and money orders.

Sec. 7246. Understatement of taxpayer liability by return preparers.

Sec. 7247. Penalty for filing erroneous refund claims.

Sec. 7248. Time for payment of corporate estimated taxes.

1           **PART 1—SMALL BUSINESS TAX RELIEF**  
2   **PROVISIONS**

3   **Subpart A—General Provisions**

4   **SEC. 7211. EXTENSION AND MODIFICATION OF WORK OP-**  
5   **PORTUNITY TAX CREDIT.**

6           (a) EXTENSION.—Section 51(c)(4)(B) (relating to  
7 termination) is amended by striking “December 31, 2007”  
8 and inserting “August 31, 2011”.

9           (b) INCREASE IN MAXIMUM AGE FOR DESIGNATED  
10 COMMUNITY RESIDENTS.—

11   (1) IN GENERAL.—Paragraph (5) of section  
12 51(d) is amended to read as follows:

1 “(5) DESIGNATED COMMUNITY RESIDENTS.—

2 “(A) IN GENERAL.—The term ‘designated  
3 community resident’ means any individual who  
4 is certified by the designated local agency—

5 “(i) as having attained age 18 but not  
6 age 40 on the hiring date, and

7 “(ii) as having his principal place of  
8 abode within an empowerment zone, enter-  
9 prise community, renewal community, or  
10 rural renewal county.

11 “(B) INDIVIDUAL MUST CONTINUE TO RE-  
12 SIDE IN ZONE, COMMUNITY, OR COUNTY.—In  
13 the case of a designated community resident,  
14 the term ‘qualified wages’ shall not include  
15 wages paid or incurred for services performed  
16 while the individual’s principal place of abode is  
17 outside an empowerment zone, enterprise com-  
18 munity, renewal community, or rural renewal  
19 county.

20 “(C) RURAL RENEWAL COUNTY.—For pur-  
21 poses of this paragraph, the term ‘rural renewal  
22 county’ means any county which—

23 “(i) is outside a metropolitan statis-  
24 tical area (defined as such by the Office of  
25 Management and Budget), and

1                   “(ii) during the 5-year periods 1990  
2                   through 1994 and 1995 through 1999 had  
3                   a net population loss.”.

4                   (2) CONFORMING AMENDMENT.—Subparagraph  
5                   (D) of section 51(d)(1) is amended to read as fol-  
6                   lows:

7                   “(D) a designated community resident,”.

8                   (c) CLARIFICATION OF TREATMENT OF INDIVIDUALS  
9                   UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B)  
10                  of section 51(d)(6) (relating to vocational rehabilitation  
11                  referral) is amended by striking “or” at the end of clause  
12                  (i), by striking the period at the end of clause (ii) and  
13                  inserting “, or”, and by adding at the end the following  
14                  new clause:

15                         “(iii) an individual work plan devel-  
16                         oped and implemented by an employment  
17                         network pursuant to subsection (g) of sec-  
18                         tion 1148 of the Social Security Act with  
19                         respect to which the requirements of such  
20                         subsection are met.”.

21                  (d) TREATMENT OF DISABLED VETERANS UNDER  
22                  THE WORK OPPORTUNITY TAX CREDIT.—

23                         (1) DISABLED VETERANS TREATED AS MEM-  
24                         BERS OF TARGETED GROUP.—

1           (A) IN GENERAL.—Subparagraph (A) of  
2 section 51(d)(3) (relating to qualified veteran)  
3 is amended by striking “agency as being a  
4 member of a family” and all that follows and  
5 inserting “agency as—

6           “(i) being a member of a family re-  
7 ceiving assistance under a food stamp pro-  
8 gram under the Food Stamp Act of 1977  
9 for at least a 3-month period ending dur-  
10 ing the 12-month period ending on the hir-  
11 ing date, or

12           “(ii) entitled to compensation for a  
13 service-connected disability, and—

14           “(I) having a hiring date which is  
15 not more than 1 year after having  
16 been discharged or released from ac-  
17 tive duty in the Armed Forces of the  
18 United States, or

19           “(II) having aggregate periods of  
20 unemployment during the 1-year pe-  
21 riod ending on the hiring date which  
22 equal or exceed 6 months.”.

23           (B) DEFINITIONS.—Paragraph (3) of sec-  
24 tion 51(d) is amended by adding at the end the  
25 following new subparagraph:

1           “(C) OTHER DEFINITIONS.—For purposes  
2           of subparagraph (A), the terms ‘compensation’  
3           and ‘service-connected’ have the meanings given  
4           such terms under section 101 of title 38,  
5           United States Code.”.

6           (2) INCREASE IN AMOUNT OF WAGES TAKEN  
7           INTO ACCOUNT FOR DISABLED VETERANS.—Para-  
8           graph (3) of section 51(b) is amended—

9                   (A) by inserting “(\$12,000 per year in the  
10                  case of any individual who is a qualified veteran  
11                  by reason of subsection (d)(3)(A)(ii))” before  
12                  the period at the end, and

13                   (B) by striking “ONLY FIRST \$6,000 OF” in  
14                  the heading and inserting “LIMITATION ON”.

15           (e) EFFECTIVE DATE.—The amendments made by  
16           this section shall apply to individuals who begin work for  
17           the employer after the date of the enactment of this divi-  
18           sion.

19           **SEC. 7212. EXTENSION AND INCREASE OF EXPENSING FOR**  
20                   **SMALL BUSINESS.**

21           (a) EXTENSION.—Subsections (b)(1), (b)(2), (b)(5),  
22           (c)(2), and (d)(1)(A)(ii) of section 179 (relating to election  
23           to expense certain depreciable business assets) are each  
24           amended by striking “2010” and inserting “2011”.

1 (b) INCREASE IN LIMITATIONS.—Subsection (b) of  
2 section 179 is amended—

3 (1) by striking “\$100,000 in the case of taxable  
4 years beginning after 2002” in paragraph (1) and  
5 inserting “\$125,000 in the case of taxable years be-  
6 ginning after 2006”, and

7 (2) by striking “\$400,000 in the case of taxable  
8 years beginning after 2002” in paragraph (2) and  
9 inserting “\$500,000 in the case of taxable years be-  
10 ginning after 2006”.

11 (c) INFLATION ADJUSTMENT.—Subparagraph (A) of  
12 section 179(b)(5) is amended—

13 (1) by striking “2003” and inserting “2007”,

14 (2) by striking “\$100,000 and \$400,000” and  
15 inserting “\$125,000 and \$500,000”, and

16 (3) by striking “2002” in clause (ii) and insert-  
17 ing “2006”.

18 (d) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2006.

1 **SEC. 7213. DETERMINATION OF CREDIT FOR CERTAIN**  
2 **TAXES PAID WITH RESPECT TO EMPLOYEE**  
3 **CASH TIPS.**

4 (a) **IN GENERAL.**—Subparagraph (B) of section  
5 45B(b)(1) is amended by inserting “as in effect on Janu-  
6 ary 1, 2007, and” before “determined without regard to”.

7 (b) **EFFECTIVE DATE.**—The amendment made by  
8 this section shall apply to tips received for services per-  
9 formed after December 31, 2006.

10 **SEC. 7214. WAIVER OF INDIVIDUAL AND CORPORATE AL-**  
11 **TERNATIVE MINIMUM TAX LIMITS ON WORK**  
12 **OPPORTUNITY CREDIT AND CREDIT FOR**  
13 **TAXES PAID WITH RESPECT TO EMPLOYEE**  
14 **CASH TIPS.**

15 (a) **ALLOWANCE AGAINST ALTERNATIVE MINIMUM**  
16 **TAX.**—Subparagraph (B) of section 38(c)(4) is amended  
17 by striking “and” at the end of clause (i), by inserting  
18 a comma at the end of clause (ii), and by adding at the  
19 end the following new clauses:

20 “(iii) the credit determined under sec-  
21 tion 45B, and

22 “(iv) the credit determined under sec-  
23 tion 51.”.

24 (b) **EFFECTIVE DATE.**—The amendments made by  
25 this section shall apply to credits determined under sec-  
26 tions 45B and 51 of the Internal Revenue Code of 1986

1 in taxable years beginning after December 31, 2006, and  
2 to carrybacks of such credits.

3 **SEC. 7215. FAMILY BUSINESS TAX SIMPLIFICATION.**

4 (a) IN GENERAL.—Section 761 (defining terms for  
5 purposes of partnerships) is amended by redesignating  
6 subsection (f) as subsection (g) and by inserting after sub-  
7 section (e) the following new subsection:

8 “(f) QUALIFIED JOINT VENTURE.—

9 “(1) IN GENERAL.—In the case of a qualified  
10 joint venture conducted by a husband and wife who  
11 file a joint return for the taxable year, for purposes  
12 of this title—

13 “(A) such joint venture shall not be treat-  
14 ed as a partnership,

15 “(B) all items of income, gain, loss, deduc-  
16 tion, and credit shall be divided between the  
17 spouses in accordance with their respective in-  
18 terests in the venture, and

19 “(C) each spouse shall take into account  
20 such spouse’s respective share of such items as  
21 if they were attributable to a trade or business  
22 conducted by such spouse as a sole proprietor.

23 “(2) QUALIFIED JOINT VENTURE.—For pur-  
24 poses of paragraph (1), the term ‘qualified joint ven-

1       ture’ means any joint venture involving the conduct  
2       of a trade or business if—

3               “(A) the only members of such joint ven-  
4               ture are a husband and wife,

5               “(B) both spouses materially participate  
6               (within the meaning of section 469(h) without  
7               regard to paragraph (5) thereof) in such trade  
8               or business, and

9               “(C) both spouses elect the application of  
10              this subsection.”.

11       (b) NET EARNINGS FROM SELF-EMPLOYMENT.—

12              (1) Subsection (a) of section 1402 (defining net  
13              earnings from self-employment) is amended by strik-  
14              ing “, and” at the end of paragraph (15) and insert-  
15              ing a semicolon, by striking the period at the end of  
16              paragraph (16) and inserting “; and”, and by insert-  
17              ing after paragraph (16) the following new para-  
18              graph:

19              “(17) notwithstanding the preceding provisions  
20              of this subsection, each spouse’s share of income or  
21              loss from a qualified joint venture shall be taken  
22              into account as provided in section 761(f) in deter-  
23              mining net earnings from self-employment of such  
24              spouse.”.



1 “this subsection—

2 “(A) IN GENERAL.—The term”, and

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

5 “(B) EXTENSION FOR CERTAIN PROP-  
6 ERTY.—In the case of property substantially all  
7 of the use of which is in one or more specified  
8 portions of the GO Zone (as defined by sub-  
9 section (d)(6)), such term shall include section  
10 179 property (as so defined) which is described  
11 in subsection (d)(2), determined—

12 “(i) without regard to subsection  
13 (d)(6), and

14 “(ii) by substituting ‘2008’ for ‘2007’  
15 in subparagraph (A)(v) thereof.”.

16 **SEC. 7222. EXTENSION AND EXPANSION OF LOW-INCOME**  
17 **HOUSING CREDIT RULES FOR BUILDINGS IN**  
18 **THE GO ZONES.**

19 (a) TIME FOR MAKING LOW-INCOME HOUSING  
20 CREDIT ALLOCATIONS.—Subsection (c) of section 1400N  
21 (relating to low-income housing credit) is amended by re-  
22 designating paragraph (5) as paragraph (6) and by insert-  
23 ing after paragraph (4) the following new paragraph:

24 “(5) TIME FOR MAKING LOW-INCOME HOUSING  
25 CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall

1 not apply to an allocation of housing credit dollar  
2 amount to a building located in the Gulf Oppor-  
3 tunity Zone, the Rita GO Zone, or the Wilma GO  
4 Zone, if such allocation is made in 2006, 2007, or  
5 2008, and such building is placed in service before  
6 January 1, 2011.”.

7 (b) EXTENSION OF PERIOD FOR TREATING GO  
8 ZONES AS DIFFICULT DEVELOPMENT AREAS.—

9 (1) IN GENERAL.—Subparagraph (A) of section  
10 1400N(c)(3) is amended by striking “2006, 2007, or  
11 2008” and inserting “the period beginning on Janu-  
12 ary 1, 2006, and ending on December 31, 2010”.

13 (2) CONFORMING AMENDMENT.—Clause (ii) of  
14 section 1400N(c)(3)(B) is amended by striking  
15 “such period” and inserting “the period described in  
16 subparagraph (A)”.

17 (c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT  
18 TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS  
19 ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section  
20 1400N (relating to low-income housing credit), as amend-  
21 ed by this division, is amended by redesignating paragraph  
22 (6) as paragraph (7) and by inserting after paragraph (5)  
23 the following new paragraph:

24 “(6) COMMUNITY DEVELOPMENT BLOCK  
25 GRANTS NOT TAKEN INTO ACCOUNT IN DETER-

1 MINING IF BUILDINGS ARE FEDERALLY SUB-  
2 SIDIZED.—For purpose of applying section  
3 42(i)(2)(D) to any building which is placed in serv-  
4 ice in the Gulf Opportunity Zone, the Rita GO Zone,  
5 or the Wilma GO Zone during the period beginning  
6 on January 1, 2006, and ending on December 31,  
7 2010, a loan shall not be treated as a below market  
8 Federal loan solely by reason of any assistance pro-  
9 vided under section 106, 107, or 108 of the Housing  
10 and Community Development Act of 1974 by reason  
11 of section 122 of such Act or any provision of the  
12 Department of Defense Appropriations Act, 2006, or  
13 the Emergency Supplemental Appropriations Act for  
14 Defense, the Global War on Terror, and Hurricane  
15 Recovery, 2006.”.

16 **SEC. 7223. SPECIAL TAX-EXEMPT BOND FINANCING RULE**  
17 **FOR REPAIRS AND RECONSTRUCTIONS OF**  
18 **RESIDENCES IN THE GO ZONES.**

19 Subsection (a) of section 1400N (relating to tax-ex-  
20 empt bond financing) is amended by adding at the end  
21 the following new paragraph:

22 “(7) SPECIAL RULE FOR REPAIRS AND RECON-  
23 STRUCTIONS.—

24 “(A) IN GENERAL.—For purposes of sec-  
25 tion 143 and this subsection, any qualified GO

1           Zone repair or reconstruction shall be treated  
2           as a qualified rehabilitation.

3           “(B) QUALIFIED GO ZONE REPAIR OR RE-  
4           CONSTRUCTION.—For purposes of subpara-  
5           graph (A), the term ‘qualified GO Zone repair  
6           or reconstruction’ means any repair of damage  
7           caused by Hurricane Katrina, Hurricane Rita,  
8           or Hurricane Wilma to a building located in the  
9           Gulf Opportunity Zone, the Rita GO Zone, or  
10          the Wilma GO Zone (or reconstruction of such  
11          building in the case of damage constituting de-  
12          struction) if the expenditures for such repair or  
13          reconstruction are 25 percent or more of the  
14          mortgagor’s adjusted basis in the residence.  
15          For purposes of the preceding sentence, the  
16          mortgagor’s adjusted basis shall be determined  
17          as of the completion of the repair or reconstruc-  
18          tion or, if later, the date on which the mort-  
19          gagor acquires the residence.

20          “(C) TERMINATION.—This paragraph shall  
21          apply only to owner-financing provided after the  
22          date of the enactment of this paragraph and be-  
23          fore January 1, 2011.”.

1 **SEC. 7224. GAO STUDY OF PRACTICES EMPLOYED BY STATE**  
2 **AND LOCAL GOVERNMENTS IN ALLOCATING**  
3 **AND UTILIZING TAX INCENTIVES PROVIDED**  
4 **PURSUANT TO THE GULF OPPORTUNITY**  
5 **ZONE ACT OF 2005.**

6 (a) IN GENERAL.—The Comptroller General of the  
7 United States shall conduct a study of the practices em-  
8 ployed by State and local governments, and subdivisions  
9 thereof, in allocating and utilizing tax incentives provided  
10 pursuant to the Gulf Opportunity Zone Act of 2005 and  
11 this division.

12 (b) SUBMISSION OF REPORT.—Not later than one  
13 year after the date of the enactment of this division, the  
14 Comptroller General shall submit a report on the findings  
15 of the study conducted under subsection (a) and shall in-  
16 clude therein recommendations (if any) relating to such  
17 findings. The report shall be submitted to the Committee  
18 on Ways and Means of the House of Representatives and  
19 the Committee on Finance of the Senate.

20 (c) CONGRESSIONAL HEARINGS.—In the case that  
21 the report submitted under this section includes findings  
22 of significant fraud, waste or abuse, each Committee spec-  
23 ified in subsection (b) shall, within 60 days after the date  
24 the report is submitted under subsection (b), hold a public  
25 hearing to review such findings.

**Subpart C—Subchapter S Provisions****SEC. 7231. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.**

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraphs:

“(B) GROSS RECEIPTS FROM THE SALES OF CERTAIN ASSETS.—For purposes of this paragraph—

“(i) in the case of dispositions of capital assets (other than stock and securities), gross receipts from such dispositions shall be taken into account only to the extent of the capital gain net income therefrom, and

“(ii) in the case of sales or exchanges of stock or securities, gross receipts shall be taken into account only to the extent of the gains therefrom.

“(C) PASSIVE INVESTMENT INCOME DEFINED.—

“(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term ‘passive investment income’ means gross receipts derived from royalties, rents, dividends, interest, and annuities.

1           “(ii) EXCEPTION FOR INTEREST ON  
2           NOTES FROM SALES OF INVENTORY.—The  
3           term ‘passive investment income’ shall not  
4           include interest on any obligation acquired  
5           in the ordinary course of the corporation’s  
6           trade or business from its sale of property  
7           described in section 1221(a)(1).

8           “(iii) TREATMENT OF CERTAIN LEND-  
9           ING OR FINANCE COMPANIES.—If the S  
10          corporation meets the requirements of sec-  
11          tion 542(c)(6) for the taxable year, the  
12          term ‘passive investment income’ shall not  
13          include gross receipts for the taxable year  
14          which are derived directly from the active  
15          and regular conduct of a lending or finance  
16          business (as defined in section 542(d)(1)).

17          “(iv) TREATMENT OF CERTAIN DIVI-  
18          DENDS.—If an S corporation holds stock  
19          in a C corporation meeting the require-  
20          ments of section 1504(a)(2), the term ‘pas-  
21          sive investment income’ shall not include  
22          dividends from such C corporation to the  
23          extent such dividends are attributable to  
24          the earnings and profits of such C corpora-

1           tion derived from the active conduct of a  
2           trade or business.

3           “(v) EXCEPTION FOR BANKS, ETC.—  
4           In the case of a bank (as defined in section  
5           581) or a depository institution holding  
6           company (as defined in section 3(w)(1) of  
7           the Federal Deposit Insurance Act (12  
8           U.S.C. 1813(w)(1)), the term ‘passive in-  
9           vestment income’ shall not include—

10                   “(I) interest income earned by  
11                   such bank or company, or

12                   “(II) dividends on assets required  
13                   to be held by such bank or company,  
14                   including stock in the Federal Reserve  
15                   Bank, the Federal Home Loan Bank,  
16                   or the Federal Agricultural Mortgage  
17                   Bank or participation certificates  
18                   issued by a Federal Intermediate  
19                   Credit Bank.”.

20           (b) EFFECTIVE DATE.—The amendments made by  
21           this section shall apply to taxable years beginning after  
22           the date of the enactment of this division.

1 **SEC. 7232. TREATMENT OF BANK DIRECTOR SHARES.**

2 (a) IN GENERAL.—Section 1361 (defining S corpora-  
3 tion) is amended by adding at the end the following new  
4 subsection:

5 “(f) RESTRICTED BANK DIRECTOR STOCK.—

6 “(1) IN GENERAL.—Restricted bank director  
7 stock shall not be taken into account as outstanding  
8 stock of the S corporation in applying this sub-  
9 chapter (other than section 1368(f)).

10 “(2) RESTRICTED BANK DIRECTOR STOCK.—

11 For purposes of this subsection, the term ‘restricted  
12 bank director stock’ means stock in a bank (as de-  
13 fined in section 581) or a depository institution  
14 holding company (as defined in section 3(w)(1) of  
15 the Federal Deposit Insurance Act (12 U.S.C.  
16 1813(w)(1)), if such stock—

17 “(A) is required to be held by an individual  
18 under applicable Federal or State law in order  
19 to permit such individual to serve as a director,  
20 and

21 “(B) is subject to an agreement with such  
22 bank or company (or a corporation which con-  
23 trols (within the meaning of section 368(e))  
24 such bank or company) pursuant to which the  
25 holder is required to sell back such stock (at  
26 the same price as the individual acquired such

1 stock) upon ceasing to hold the office of direc-  
2 tor.

3 “(3) CROSS REFERENCE.—

“For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f).”.

4 (b) DISTRIBUTIONS.—Section 1368 (relating to dis-  
5 tributions) is amended by adding at the end the following  
6 new subsection:

7 “(f) RESTRICTED BANK DIRECTOR STOCK.—If a di-  
8 rector receives a distribution (not in part or full payment  
9 in exchange for stock) from an S corporation with respect  
10 to any restricted bank director stock (as defined in section  
11 1361(f)), the amount of such distribution—

12 “(1) shall be includible in gross income of the  
13 director, and

14 “(2) shall be deductible by the corporation for  
15 the taxable year of such corporation in which or with  
16 which ends the taxable year in which such amount  
17 in included in the gross income of the director.”.

18 (c) EFFECTIVE DATES.—

19 (1) IN GENERAL.—The amendments made by  
20 this section shall apply to taxable years beginning  
21 after December 31, 2006.

22 (2) SPECIAL RULE FOR TREATMENT AS SECOND  
23 CLASS OF STOCK.—In the case of any taxable year  
24 beginning after December 31, 1996, restricted bank

1 director stock (as defined in section 1361(f) of the  
2 Internal Revenue Code of 1986, as added by this  
3 section) shall not be taken into account in deter-  
4 mining whether an S corporation has more than 1  
5 class of stock.

6 **SEC. 7233. SPECIAL RULE FOR BANK REQUIRED TO**  
7 **CHANGE FROM THE RESERVE METHOD OF**  
8 **ACCOUNTING ON BECOMING S CORPORA-**  
9 **TION.**

10 (a) IN GENERAL.—Section 1361, as amended by this  
11 division, is amended by adding at the end the following  
12 new subsection:

13 “(g) SPECIAL RULE FOR BANK REQUIRED TO  
14 CHANGE FROM THE RESERVE METHOD OF ACCOUNTING  
15 ON BECOMING S CORPORATION.—In the case of a bank  
16 which changes from the reserve method of accounting for  
17 bad debts described in section 585 or 593 for its first tax-  
18 able year for which an election under section 1362(a) is  
19 in effect, the bank may elect to take into account any ad-  
20 justments under section 481 by reason of such change for  
21 the taxable year immediately preceding such first taxable  
22 year.”.

23 (b) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 2006.

1 **SEC. 7234. TREATMENT OF THE SALE OF INTEREST IN A**  
2 **QUALIFIED SUBCHAPTER S SUBSIDIARY.**

3 (a) IN GENERAL.—Subparagraph (C) of section  
4 1361(b)(3) (relating to treatment of terminations of quali-  
5 fied subchapter S subsidiary status) is amended—

6 (1) by striking “For purposes of this title,” and  
7 inserting the following:

8 “(i) IN GENERAL.—For purposes of  
9 this title,” and

10 (2) by inserting at the end the following new  
11 clause:

12 “(ii) TERMINATION BY REASON OF  
13 SALE OF STOCK.—If the failure to meet  
14 the requirements of subparagraph (B) is  
15 by reason of the sale of stock of a corpora-  
16 tion which is a qualified subchapter S sub-  
17 sidiary, the sale of such stock shall be  
18 treated as if—

19 “(I) the sale were a sale of an  
20 undivided interest in the assets of  
21 such corporation (based on the per-  
22 centage of the corporation’s stock  
23 sold), and

24 “(II) the sale were followed by an  
25 acquisition by such corporation of all  
26 of its assets (and the assumption by

1                   such corporation of all of its liabil-  
2                   ities) in a transaction to which section  
3                   351 applies.”.

4           (b) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2006.

7 **SEC. 7235. ELIMINATION OF ALL EARNINGS AND PROFITS**  
8                   **ATTRIBUTABLE TO PRE-1983 YEARS FOR CER-**  
9                   **TAIN CORPORATIONS.**

10           In the case of a corporation which is—

11                   (1) described in section 1311(a)(1) of the Small  
12           Business Job Protection Act of 1996, and

13                   (2) not described in section 1311(a)(2) of such  
14           Act,

15 the amount of such corporation’s accumulated earnings  
16 and profits (for the first taxable year beginning after the  
17 date of the enactment of this division) shall be reduced  
18 by an amount equal to the portion (if any) of such accu-  
19 mulated earnings and profits which were accumulated in  
20 any taxable year beginning before January 1, 1983, for  
21 which such corporation was an electing small business cor-  
22 poration under subchapter S of the Internal Revenue Code  
23 of 1986.

1 **SEC. 7236. DEDUCTIBILITY OF INTEREST EXPENSE ON IN-**  
2 **DEBTEDNESS INCURRED BY AN ELECTING**  
3 **SMALL BUSINESS TRUST TO ACQUIRE S COR-**  
4 **PORATION STOCK.**

5 (a) **IN GENERAL.**—Subparagraph (C) of section  
6 641(c)(2) (relating to modifications) is amended by insert-  
7 ing after clause (iii) the following new clause:

8 “(iv) Any interest expense paid or ac-  
9 crued on indebtedness incurred to acquire  
10 stock in an S corporation.”.

11 (b) **EFFECTIVE DATE.**—The amendment made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2006.

14 **PART 2—REVENUE PROVISIONS**

15 **SEC. 7241. INCREASE IN AGE OF CHILDREN WHOSE UN-**  
16 **EARNED INCOME IS TAXED AS IF PARENT’S**  
17 **INCOME.**

18 (a) **IN GENERAL.**—Subparagraph (A) of section  
19 1(g)(2) (relating to child to whom subsection applies) is  
20 amended to read as follows:

21 “(A) such child—

22 “(i) has not attained age 18 before  
23 the close of the taxable year, or

24 “(ii)(I) has attained age 18 before the  
25 close of the taxable year and meets the age  
26 requirements of section 152(c)(3) (deter-



1 which is 6 months after the date of the enactment of this  
2 division.

3 **SEC. 7243. MODIFICATION OF COLLECTION DUE PROCESS**  
4 **PROCEDURES FOR EMPLOYMENT TAX LI-**  
5 **ABILITIES.**

6 (a) IN GENERAL.—Section 6330(f) (relating to jeop-  
7 ardy and State refund collection) is amended—

8 (1) by striking “; or” at the end of paragraph  
9 (1) and inserting a comma,

10 (2) by adding “or” at the end of paragraph (2),  
11 and

12 (3) by inserting after paragraph (2) the fol-  
13 lowing new paragraph:

14 “(3) the Secretary has served a disqualified em-  
15 ployment tax levy,”.

16 (b) DISQUALIFIED EMPLOYMENT TAX LEVY.—Sec-  
17 tion 6330 of such Code (relating to notice and opportunity  
18 for hearing before levy) is amended by adding at the end  
19 the following new subsection:

20 “(h) DISQUALIFIED EMPLOYMENT TAX LEVY.—For  
21 purposes of subsection (f), a disqualified employment tax  
22 levy is any levy in connection with the collection of employ-  
23 ment taxes for any taxable period if the person subject  
24 to the levy (or any predecessor thereof) requested a hear-  
25 ing under this section with respect to unpaid employment

1 taxes arising in the most recent 2-year period before the  
2 beginning of the taxable period with respect to which the  
3 levy is served. For purposes of the preceding sentence, the  
4 term ‘employment taxes’ means any taxes under chapter  
5 21, 22, 23, or 24.”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to levies served on or after the date  
8 that is 120 days after the date of the enactment of this  
9 division.

10 **SEC. 7244. PERMANENT EXTENSION OF IRS USER FEES.**

11 Section 7528 (relating to Internal Revenue Service  
12 user fees) is amended by striking subsection (c).

13 **SEC. 7245. INCREASE IN PENALTY FOR BAD CHECKS AND**  
14 **MONEY ORDERS.**

15 (a) IN GENERAL.—Section 6657 (relating to bad  
16 checks) is amended—

17 (1) by striking “\$750” and inserting “\$1,250”,  
18 and

19 (2) by striking “\$15” and inserting “\$25”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section apply to checks or money orders received after  
22 the date of the enactment of this division.

1 **SEC. 7246. UNDERSTATEMENT OF TAXPAYER LIABILITY BY**  
2 **RETURN PREPARERS.**

3 (a) APPLICATION OF RETURN PREPARER PENALTIES  
4 TO ALL TAX RETURNS.—

5 (1) DEFINITION OF TAX RETURN PREPARER.—

6 Paragraph (36) of section 7701(a) (relating to in-  
7 come tax preparer) is amended—

8 (A) by striking “income” each place it ap-  
9 pears in the heading and the text, and

10 (B) in subparagraph (A), by striking “sub-  
11 title A” each place it appears and inserting  
12 “this title”.

13 (2) CONFORMING AMENDMENTS.—

14 (A)(i) Section 6060 is amended by striking  
15 “**INCOME TAX RETURN PREPARERS**” in the  
16 heading and inserting “**TAX RETURN PRE-**  
17 **PARERS**”.

18 (ii) Section 6060(a) is amended—

19 (I) by striking “an income tax return  
20 preparer” each place it appears and insert-  
21 ing “a tax return preparer”,

22 (II) by striking “each income tax re-  
23 turn preparer” and inserting “each tax re-  
24 turn preparer”, and

1 (III) by striking “another income tax  
2 return preparer” and inserting “another  
3 tax return preparer”.

4 (iii) The item relating to section 6060 in  
5 the table of sections for subpart F of part III  
6 of subchapter A of chapter 61 is amended by  
7 striking “income tax return preparers” and in-  
8 serting “tax return preparers”.

9 (iv) Subpart F of part III of subchapter A  
10 of chapter 61 is amended by striking “**Income**  
11 **Tax Return Preparers**” in the heading  
12 and inserting “**Tax Return Preparers**”.

13 (v) The item relating to subpart F in the  
14 table of subparts for part III of subchapter A  
15 of chapter 61 is amended by striking “income  
16 tax return preparers” and inserting “tax return  
17 preparers”.

18 (B) Section 6103(k)(5) is amended—

19 (i) by striking “income tax return pre-  
20 parer” each place it appears and inserting  
21 “tax return preparer”, and

22 (ii) by striking “income tax return  
23 preparers” each place it appears and in-  
24 serting “tax return preparers”.

25 (C)(i) Section 6107 is amended—

1 (I) by striking “**INCOME TAX RE-**  
2 **TURN PREPARER**” in the heading and in-  
3 serting “**TAX RETURN PREPARER**”,

4 (II) by striking “an income tax return  
5 preparer” each place it appears in sub-  
6 sections (a) and (b) and inserting “a tax  
7 return preparer”,

8 (III) by striking “**INCOME TAX RE-**  
9 **TURN PREPARER**” in the heading for sub-  
10 section (b) and inserting “**TAX RETURN**  
11 **PREPARER**”, and

12 (IV) in subsection (c), by striking “in-  
13 come tax return preparers” and inserting  
14 “tax return preparers”.

15 (ii) The item relating to section 6107 in  
16 the table of sections for subchapter B of chap-  
17 ter 61 is amended by striking “Income tax re-  
18 turn preparer” and inserting “Tax return pre-  
19 parer”.

20 (D) Section 6109(a)(4) is amended—

21 (i) by striking “an income tax return  
22 preparer” and inserting “a tax return pre-  
23 parer”, and

1           (ii) by striking “INCOME RETURN  
2           PREPARER” in the heading and inserting  
3           “TAX RETURN PREPARER”.

4           (E) Section 6503(k)(4) is amended by  
5           striking “Income tax return preparers” and in-  
6           serting “Tax return preparers”.

7           (F)(i) Section 6694 is amended—

8                 (I) by striking “**INCOME TAX RE-**  
9                 **TURN PREPARER**” in the heading and in-  
10                serting “**TAX RETURN PREPARER**”,

11               (II) by striking “an income tax return  
12               preparer” each place it appears and insert-  
13               ing “a tax return preparer”,

14               (III) in subsection (c)(2), by striking  
15               “the income tax return preparer” and in-  
16               serting “the tax return preparer”,

17               (IV) in subsection (e), by striking  
18               “subtitle A” and inserting “this title”, and

19               (V) in subsection (f), by striking “in-  
20               come tax return preparer” and inserting  
21               “tax return preparer”.

22           (ii) The item relating to section 6694 in  
23           the table of sections for part I of subchapter B  
24           of chapter 68 is amended by striking “income

1 tax return preparer” and inserting “tax return  
2 preparer”.

3 (G)(i) Section 6695 is amended—

4 (I) by striking “**INCOME**” in the  
5 heading, and

6 (II) by striking “an income tax return  
7 preparer” each place it appears and insert-  
8 ing “a tax return preparer”.

9 (ii) Section 6695(f) is amended—

10 (I) by striking “subtitle A” and in-  
11 sserting “this title”, and

12 (II) by striking “the income tax re-  
13 turn preparer” and inserting “the tax re-  
14 turn preparer”.

15 (iii) The item relating to section 6695 in  
16 the table of sections for part I of subchapter B  
17 of chapter 68 is amended by striking “income”.

18 (H) Section 6696(e) is amended by strik-  
19 ing “subtitle A” each place it appears and in-  
20 sserting “this title”.

21 (I)(i) Section 7407 is amended—

22 (I) by striking “**INCOME TAX RE-**  
23 **TURN PREPARERS**” in the heading and  
24 inserting “**TAX RETURN PREPARERS**”,

1 (II) by striking “an income tax return  
2 preparer” each place it appears and insert-  
3 ing “a tax return preparer”,

4 (III) by striking “income tax pre-  
5 parer” both places it appears in subsection  
6 (a) and inserting “tax return preparer”,  
7 and

8 (IV) by striking “income tax return”  
9 in subsection (a) and inserting “tax re-  
10 turn”.

11 (ii) The item relating to section 7407 in  
12 the table of sections for subchapter A of chap-  
13 ter 76 is amended by striking “income tax re-  
14 turn preparers” and inserting “tax return pre-  
15 parers”.

16 (J)(i) Section 7427 is amended—

17 (I) by striking “**INCOME TAX RE-**  
18 **TURN PREPARERS**” in the heading and  
19 inserting “**TAX RETURN PREPARERS**”,  
20 and

21 (II) by striking “an income tax return  
22 preparer” and inserting “a tax return pre-  
23 parer”.

1                   (ii) The item relating to section 7427 in  
2                   the table of sections for subchapter B of chap-  
3                   ter 76 is amended to read as follows:

“Sec. 7427. Tax return preparers.”.

4           (b) MODIFICATION OF PENALTY FOR UNDERSTATE-  
5   MENT OF TAXPAYER’S LIABILITY BY TAX RETURN PRE-  
6   PARER.—Subsections (a) and (b) of section 6694 are  
7   amended to read as follows:

8           “(a) UNDERSTATEMENT DUE TO UNREASONABLE  
9   POSITIONS.—

10           “(1) IN GENERAL.—Any tax return preparer  
11           who prepares any return or claim for refund with re-  
12           spect to which any part of an understatement of li-  
13           ability is due to a position described in paragraph  
14           (2) shall pay a penalty with respect to each such re-  
15           turn or claim in an amount equal to the greater of—

16                   “(A) \$1,000, or

17                   “(B) 50 percent of the income derived (or  
18           to be derived) by the tax return preparer with  
19           respect to the return or claim.

20           “(2) UNREASONABLE POSITION.—A position is  
21           described in this paragraph if—

22                   “(A) the tax return preparer knew (or rea-  
23           sonably should have known) of the position,

1           “(B) there was not a reasonable belief that  
2           the position would more likely than not be sus-  
3           tained on its merits, and

4           “(C)(i) the position was not disclosed as  
5           provided in section 6662(d)(2)(B)(ii), or

6           “(ii) there was no reasonable basis for the  
7           position.

8           “(3) REASONABLE CAUSE EXCEPTION.—No  
9           penalty shall be imposed under this subsection if it  
10          is shown that there is reasonable cause for the un-  
11          derstatement and the tax return preparer acted in  
12          good faith.

13          “(b) UNDERSTATEMENT DUE TO WILLFUL OR  
14 RECKLESS CONDUCT.—

15           “(1) IN GENERAL.—Any tax return preparer  
16          who prepares any return or claim for refund with re-  
17          spect to which any part of an understatement of li-  
18          ability is due to a conduct described in paragraph  
19          (2) shall pay a penalty with respect to each such re-  
20          turn or claim in an amount equal to the greater of—

21           “(A) \$5,000, or

22           “(B) 50 percent of the income derived (or  
23          to be derived) by the tax return preparer with  
24          respect to the return or claim.



1 32) is made for an excessive amount, unless it is shown  
2 that the claim for such excessive amount has a reasonable  
3 basis, the person making such claim shall be liable for a  
4 penalty in an amount equal to 20 percent of the excessive  
5 amount.

6 “(b) EXCESSIVE AMOUNT.—For purposes of this sec-  
7 tion, the term ‘excessive amount’ means in the case of any  
8 person the amount by which the amount of the claim for  
9 refund or credit for any taxable year exceeds the amount  
10 of such claim allowable under this title for such taxable  
11 year.

12 “(c) COORDINATION WITH OTHER PENALTIES.—  
13 This section shall not apply to any portion of the excessive  
14 amount of a claim for refund or credit which is subject  
15 to a penalty imposed under part II of subchapter A of  
16 chapter 68.”.

17 (b) CONFORMING AMENDMENT.—The table of sec-  
18 tions for part I of subchapter B of chapter 68 is amended  
19 by inserting after the item relating to section 6675 the  
20 following new item:

“Sec. 6676. Erroneous claim for refund or credit.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to any claim filed or submitted  
23 after the date of the enactment of this division.

1 **SEC. 7248. TIME FOR PAYMENT OF CORPORATE ESTIMATED**  
2 **TAXES.**

3 Subparagraph (B) of section 401(1) of the Tax In-  
4 crease Prevention and Reconciliation Act of 2005 is  
5 amended by striking “106.25 percent” and inserting  
6 “114.25 percent”.

7 **DIVISION B—AGRICULTURAL**  
8 **DISASTER ASSISTANCE AND**  
9 **WESTERN STATES EMER-**  
10 **GENCY UNFINISHED BUSI-**  
11 **NESS APPROPRIATIONS ACT,**  
12 **2007**

13 **SECTION 1. SHORT TITLE.**

14 This division may be cited as the “Agricultural Dis-  
15 aster Assistance and Western States Emergency Unfin-  
16 ished Business Appropriations Act, 2007”.

17 **SEC. 2. STATEMENT OF APPROPRIATIONS.**

18 The following sums in this division are appropriated,  
19 out of any money in the Treasury not otherwise appro-  
20 priated, for the fiscal year ending September 30, 2007.

21 **TITLE I—AGRICULTURAL**  
22 **ASSISTANCE**

23 **SEC. 1001. CROP DISASTER ASSISTANCE.**

24 (a) ASSISTANCE AVAILABLE.—There are hereby ap-  
25 propriated to the Secretary of Agriculture such sums as  
26 are necessary, to remain available until expended, to make

1 emergency financial assistance available to producers on  
2 a farm that incurred qualifying quantity or quality losses  
3 for the 2005 or 2006 crop, or that part of the 2007 crop  
4 year before February 28, 2007, due to damaging weather  
5 or any related condition (including losses due to crop dis-  
6 eases, insects, and delayed planting), as determined by the  
7 Secretary. However, to be eligible for assistance, the crop  
8 subject to the loss must have been planted before Feb-  
9 ruary 28, 2007, or, in the case of prevented planting or  
10 other total loss, would have been planted before February  
11 28, 2007, in the absence of the damaging weather or any  
12 related condition.

13 (b) ELECTION OF CROP YEAR.—If a producer in-  
14 curred qualifying crop losses in more than one of the  
15 2005, 2006, or 2007 crop years, the producer shall elect  
16 to receive assistance under this section for losses incurred  
17 in only one of such crop years. The producer may not re-  
18 ceive assistance under this section for more than one crop  
19 year.

20 (c) ADMINISTRATION.—

21 (1) IN GENERAL.—Except as provided in para-  
22 graph (2), the Secretary of Agriculture shall make  
23 assistance available under this section in the same  
24 manner as provided under section 815 of the Agri-  
25 culture, Rural Development, Food and Drug Admin-

1       istration and Related Agencies Appropriations Act,  
2       2001 (Public Law 106–387; 114 Stat. 1549A–55),  
3       including using the same loss thresholds for quantity  
4       and economic losses as were used in administering  
5       that section, except that the payment rate shall be  
6       50 percent of the established price, instead of 65  
7       percent.

8           (2) LOSS THRESHOLDS FOR QUALITY  
9       LOSSES.—In the case of a payment for quality loss  
10      for a crop under subsection (a), the loss thresholds  
11      for quality loss for the crop shall be determined  
12      under subsection (d).

13      (d) QUALITY LOSSES.—

14           (1) IN GENERAL.—Subject to paragraph (3),  
15      the amount of a payment made to producers on a  
16      farm for a quality loss for a crop under subsection  
17      (a) shall be equal to the amount obtained by multi-  
18      plying—

19                   (A) 65 percent of the payment quantity de-  
20                   termined under paragraph (2); by

21                   (B) 50 percent of the payment rate deter-  
22                   mined under paragraph (3).

23           (2) PAYMENT QUANTITY.—For the purpose of  
24      paragraph (1)(A), the payment quantity for quality

1 losses for a crop of a commodity on a farm shall  
2 equal the lesser of—

3 (A) the actual production of the crop af-  
4 fected by a quality loss of the commodity on the  
5 farm; or

6 (B) the quantity of expected production of  
7 the crop affected by a quality loss of the com-  
8 modity on the farm, using the formula used by  
9 the Secretary of Agriculture to determine quan-  
10 tity losses for the crop of the commodity under  
11 subsection (a).

12 (3) PAYMENT RATE.—For the purpose of para-  
13 graph (1)(B) and in accordance with paragraphs (5)  
14 and (6), the payment rate for quality losses for a  
15 crop of a commodity on a farm shall be equal to the  
16 difference between—

17 (A) the per unit market value that the  
18 units of the crop affected by the quality loss  
19 would have had if the crop had not suffered a  
20 quality loss; and

21 (B) the per unit market value of the units  
22 of the crop affected by the quality loss.

23 (4) ELIGIBILITY.—For producers on a farm to  
24 be eligible to obtain a payment for a quality loss for  
25 a crop under subsection (a), the amount obtained by

1 multiplying the per unit loss determined under para-  
2 graph (1) by the number of units affected by the  
3 quality loss shall be at least 25 percent of the value  
4 that all affected production of the crop would have  
5 had if the crop had not suffered a quality loss.

6 (5) **MARKETING CONTRACTS.**—In the case of  
7 any production of a commodity that is sold pursuant  
8 to one or more marketing contracts (regardless of  
9 whether the contract is entered into by the pro-  
10 ducers on the farm before or after harvest) and for  
11 which appropriate documentation exists, the quan-  
12 tity designated in the contracts shall be eligible for  
13 quality loss assistance based on the one or more  
14 prices specified in the contracts.

15 (6) **OTHER PRODUCTION.**—For any additional  
16 production of a commodity for which a marketing  
17 contract does not exist or for which production con-  
18 tinues to be owned by the producer, quality losses  
19 shall be based on the average local market discounts  
20 for reduced quality, as determined by the appro-  
21 priate State committee of the Farm Service Agency.

22 (7) **QUALITY ADJUSTMENTS AND DISCOUNTS.**—  
23 The appropriate State committee of the Farm Serv-  
24 ice Agency shall identify the appropriate quality ad-

1       justment and discount factors to be considered in  
2       carrying out this subsection, including—

3               (A) the average local discounts actually ap-  
4               plied to a crop; and

5               (B) the discount schedules applied to loans  
6               made by the Farm Service Agency or crop in-  
7               surance coverage under the Federal Crop Insur-  
8               ance Act (7 U.S.C. 1501 et seq.).

9               (8) ELIGIBLE PRODUCTION.—The Secretary of  
10              Agriculture shall carry out this subsection in a fair  
11              and equitable manner for all eligible production, in-  
12              cluding the production of fruits and vegetables,  
13              other specialty crops, and field crops.

14             (e) PAYMENT LIMITATIONS.—

15               (1) LIMIT ON AMOUNT OF ASSISTANCE.—As-  
16               sistance provided under this section to a producer  
17               for losses to a crop, together with the amounts speci-  
18               fied in paragraph (2) applicable to the same crop,  
19               may not exceed 95 percent of what the value of the  
20               crop would have been in the absence of the losses,  
21               as estimated by the Secretary of Agriculture.

22               (2) OTHER PAYMENTS.—In applying the limita-  
23               tion in paragraph (1), the Secretary shall include the  
24               following:

1           (A) Any crop insurance payment made  
2           under the Federal Crop Insurance Act (7  
3           U.S.C. 1501 et seq.) or payment under section  
4           196 of the Federal Agricultural Improvement  
5           and Reform Act of 1996 (7 U.S.C. 7333) that  
6           the producer receives for losses to the same  
7           crop.

8           (B) The value of the crop that was not lost  
9           (if any), as estimated by the Secretary.

10       (f) ELIGIBILITY REQUIREMENTS AND LIMITA-  
11       TIONS.—The producers on a farm shall not be eligible for  
12       assistance under this section with respect to losses to an  
13       insurable commodity or noninsurable commodity if the  
14       producers on the farm—

15           (1) in the case of an insurable commodity, did  
16           not obtain a policy or plan of insurance for the in-  
17           surable commodity under the Federal Crop Insur-  
18           ance Act (7 U.S.C. 1501 et seq.) for the crop incur-  
19           ring the losses;

20           (2) in the case of a noninsurable commodity,  
21           did not file the required paperwork, and pay the ad-  
22           ministrative fee by the applicable State filing dead-  
23           line, for the noninsurable commodity under section  
24           196 of the Federal Agriculture Improvement and

1 Reform Act of 1996 (7 U.S.C. 7333) for the crop  
2 incurring the losses; or

3 (3) were not in compliance with highly erodible  
4 land conservation and wetland conservation provi-  
5 sions.

6 (g) TIMING.—

7 (1) IN GENERAL.—Subject to paragraph (2),  
8 the Secretary of Agriculture shall make payments to  
9 producers on a farm for a crop under this section  
10 not later than 60 days after the date the producers  
11 on the farm submit to the Secretary a completed ap-  
12 plication for the payments.

13 (2) INTEREST.—If the Secretary does not make  
14 payments to the producers on a farm by the date de-  
15 scribed in paragraph (1), the Secretary shall pay to  
16 the producers on a farm interest on the payments at  
17 a rate equal to the current (as of the sign-up dead-  
18 line established by the Secretary) market yield on  
19 outstanding, marketable obligations of the United  
20 States with maturities of 30 years.

21 (h) DEFINITIONS.—In this section:

22 (1) INSURABLE COMMODITY.—The term “insur-  
23 able commodity” means an agricultural commodity  
24 (excluding livestock) for which the producers on a  
25 farm are eligible to obtain a policy or plan of insur-

1       ance under the Federal Crop Insurance Act (7  
2       U.S.C. 1501 et seq.).

3               (2) NONINSURABLE COMMODITY.—The term  
4       “noninsurable commodity” means a crop for which  
5       the producers on a farm are eligible to obtain assist-  
6       ance under section 196 of the Federal Agriculture  
7       Improvement and Reform Act of 1996 (7 U.S.C.  
8       7333).

9       **SEC. 1002. LIVESTOCK ASSISTANCE.**

10       (a) LIVESTOCK COMPENSATION PROGRAM.—

11               (1) AVAILABILITY OF ASSISTANCE.—There are  
12       hereby appropriated to the Secretary of Agriculture  
13       such sums as are necessary, to remain available  
14       until expended, to carry out the livestock compensa-  
15       tion program established under subpart B of part  
16       1416 of title 7, Code of Federal Regulations, as an-  
17       nounced by the Secretary on February 12, 2007 (72  
18       Fed. Reg. 6443), to provide compensation for live-  
19       stock losses between January 1, 2005 and February  
20       28, 2007, due to a disaster, as determined by the  
21       Secretary (including losses due to blizzards that  
22       started in 2006 and continued into January 2007).  
23       However, the payment rate for compensation under  
24       this subsection shall be 70 percent of the payment  
25       rate otherwise applicable under such program. In

1 addition, section 1416.102(b)(2)(ii) of title 7, Code  
2 of Federal Regulations (72 Fed. Reg. 6444) shall  
3 not apply.

4 (2) ELIGIBLE APPLICANTS.—In carrying out  
5 the program described in paragraph (1), the Sec-  
6 retary shall provide assistance to any applicant  
7 that—

8 (A) conducts a livestock operation that is  
9 located in a disaster county with eligible live-  
10 stock specified in paragraph (1) of section  
11 1416.102(a) of title 7, Code of Federal Regula-  
12 tions (72 Fed. Reg. 6444), an animal described  
13 in section 10806(a)(1) of the Farm Security  
14 and Rural Investment Act of 2002 (21 U.S.C.  
15 321d(a)(1)), or other animals designated by the  
16 Secretary as livestock for purposes of this sub-  
17 section; and

18 (B) meets the requirements of paragraphs  
19 (3) and (4) of section 1416.102(a) of title 7,  
20 Code of Federal Regulations, and all other eligi-  
21 bility requirements established by the Secretary  
22 for the program.

23 (3) ELECTION OF LOSSES.—

24 (A) If a producer incurred eligible livestock  
25 losses in more than one of the 2005, 2006, or

1           2007 calendar years, the producer shall elect to  
2           receive payments under this subsection for  
3           losses incurred in only one of such calendar  
4           years, and such losses must have been incurred  
5           in a county declared or designated as a disaster  
6           county in that same calendar year.

7           (B) Producers may elect to receive com-  
8           pensation for losses in the calendar year 2007  
9           grazing season that are attributable to wildfires  
10          occurring during the applicable period, as deter-  
11          mined by the Secretary.

12          (4) MITIGATION.—In determining the eligibility  
13          for or amount of payments for which a producer is  
14          eligible under the livestock compensation program,  
15          the Secretary shall not penalize a producer that  
16          takes actions (recognizing disaster conditions) that  
17          reduce the average number of livestock the producer  
18          owned for grazing during the production year for  
19          which assistance is being provided.

20          (5) DEFINITIONS.—In this subsection:

21                  (A) DISASTER COUNTY.—The term “dis-  
22                  aster county” means—

23                          (i) a county included in the geo-  
24                          graphic area covered by a natural disaster  
25                          declaration; and

1 (ii) each county contiguous to a coun-  
2 ty described in clause (i).

3 (B) NATURAL DISASTER DECLARATION.—

4 The term “natural disaster declaration”  
5 means—

6 (i) a natural disaster declared by the  
7 Secretary between January 1, 2005 and  
8 February 28, 2007, under section 321(a)  
9 of the Consolidated Farm and Rural De-  
10 velopment Act (7 U.S.C. 1961(a));

11 (ii) a major disaster or emergency  
12 designated by the President between Janu-  
13 ary 1, 2005 and February 28, 2007, under  
14 the Robert T. Stafford Disaster Relief and  
15 Emergency Assistance Act (42 U.S.C.  
16 5121 et seq.); or

17 (iii) a determination of a Farm Serv-  
18 ice Agency Administrator’s Physical Loss  
19 Notice if such notice applies to a county  
20 included under (ii).

21 (b) LIVESTOCK INDEMNITY PAYMENTS.—

22 (1) AVAILABILITY OF ASSISTANCE.—There are  
23 hereby appropriated to the Secretary of Agriculture  
24 such sums as are necessary, to remain available  
25 until expended, to make livestock indemnity pay-

1       ments to producers on farms that have incurred live-  
2       stock losses between January 1, 2005 and February  
3       28, 2007, due to a disaster, as determined by the  
4       Secretary (including losses due to blizzards that  
5       started in 2006 and continued into January 2007)  
6       in a disaster county. To be eligible for assistance,  
7       applicants must meet all eligibility requirements es-  
8       tablished by the Secretary for the program.

9               (2) ELECTION OF LOSSES.—If a producer in-  
10       curred eligible livestock losses in more than one of  
11       the 2005, 2006, or 2007 calendar years, the pro-  
12       ducer shall elect to receive payments under this sub-  
13       section for losses incurred in only one of such cal-  
14       endar years. The producer may not receive payments  
15       under this subsection for more than one calendar  
16       year.

17               (3) PAYMENT RATES.—Indemnity payments to  
18       a producer on a farm under paragraph (1) shall be  
19       made at a rate of not less than 30 percent of the  
20       market value of the applicable livestock on the day  
21       before the date of death of the livestock, as deter-  
22       mined by the Secretary.

23               (4) LIVESTOCK DEFINED.—In this subsection,  
24       the term “livestock” means an animal that—

1 (A) is specified in clause (i) of section  
2 1416.203(a)(2) of title 7, Code of Federal Reg-  
3 ulations (72 Fed. Reg. 6445), or is designated  
4 by the Secretary as livestock for purposes of  
5 this subsection; and

6 (B) meets the requirements of clauses (iii)  
7 and (iv) of such section.

8 (5) DEFINITIONS.—In this subsection:

9 (A) DISASTER COUNTY.—The term “dis-  
10 aster county” means—

11 (i) a county included in the geo-  
12 graphic area covered by a natural disaster  
13 declaration; and

14 (ii) each county contiguous to a coun-  
15 ty described in clause (i).

16 (B) NATURAL DISASTER DECLARATION.—  
17 The term “natural disaster declaration”  
18 means—

19 (i) a natural disaster declared by the  
20 Secretary between January 1, 2005 and  
21 February 28, 2007, under section 321(a)  
22 of the Consolidated Farm and Rural De-  
23 velopment Act (7 U.S.C. 1961(a));

24 (ii) a major disaster or emergency  
25 designated by the President between Janu-

1           ary 1, 2005 and February 28, 2007, under  
2           the Robert T. Stafford Disaster Relief and  
3           Emergency Assistance Act (42 U.S.C.  
4           5121 et seq.); or

5                     (iii) a determination of a Farm Serv-  
6           ice Agency Administrator's Physical Loss  
7           Notice if such notice applies to a county  
8           included under (ii).

9   **SEC. 1003. EMERGENCY CONSERVATION PROGRAM.**

10        There is hereby appropriated to the Secretary of Ag-  
11       riculture \$20,000,000, to remain available until expended,  
12       to provide assistance under the Emergency Conservation  
13       Program under title IV of the Agriculture Credit Act of  
14       1978 (16 U.S.C. 2201 et seq.) for the cleanup and restora-  
15       tion of farm and agricultural production lands.

16   **SEC. 1004. PAYMENT LIMITATIONS.**

17        (a) REDUCTION IN PAYMENTS TO REFLECT PAY-  
18       MENTS FOR SAME OR SIMILAR LOSSES.—The amount of  
19       any payment for which a producer is eligible under sec-  
20       tions 1001 and 1002 shall be reduced by any amount re-  
21       ceived by the producer for the same loss or any similar  
22       loss under—

23                     (1) the Department of Defense, Emergency  
24       Supplemental Appropriations to Address Hurricanes

1 in the Gulf of Mexico, and Pandemic Influenza Act,  
2 2006 (Public Law 109–148; 119 Stat. 2680);

3 (2) an agricultural disaster assistance provision  
4 contained in the announcement of the Secretary on  
5 January 26, 2006 or August 29, 2006; or

6 (3) the Emergency Supplemental Appropria-  
7 tions Act for Defense, the Global War on Terror,  
8 and Hurricane Recovery, 2006 (Public Law 109–  
9 234; 120 Stat. 418).

10 (b) ADJUSTED GROSS INCOME LIMITATION.—Section  
11 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–  
12 3a) shall apply with respect to assistance provided under  
13 sections 1001, 1002, and 1003.

14 **SEC. 1005. ADMINISTRATION.**

15 (a) REGULATIONS.—The Secretary of Agriculture  
16 may promulgate such regulations as are necessary to im-  
17 plement sections 1001 and 1002.

18 (b) PROCEDURE.—The promulgation of the imple-  
19 menting regulations and the administration of sections  
20 1001 and 1002 shall be made without regard to—

21 (1) the notice and comment provisions of sec-  
22 tion 553 of title 5, United States Code;

23 (2) the Statement of Policy of the Secretary of  
24 Agriculture effective July 24, 1971 (36 Fed. Reg.

1 13804), relating to notices of proposed rulemaking  
2 and public participation in rulemaking; and

3 (3) chapter 35 of title 44, United States Code  
4 (commonly known as the “Paperwork Reduction  
5 Act”).

6 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-  
7 MAKING.—In carrying out this section, the Secretary of  
8 Agriculture shall use the authority provided under section  
9 808 of title 5, United States Code.

10 (d) USE OF COMMODITY CREDIT CORPORATION;  
11 LIMITATION.—In implementing sections 1001 and 1002,  
12 the Secretary of Agriculture may use the facilities, serv-  
13 ices, and authorities of the Commodity Credit Corpora-  
14 tion. The Corporation shall not make any expenditures to  
15 carry out sections 1001 and 1002 unless funds have been  
16 specifically appropriated for such purpose.

17 **SEC. 1006. MILK INCOME LOSS CONTRACT PROGRAM.**

18 Section 1502(c)(3) of the Farm Security and Rural  
19 Investment Act of 2002 (7 U.S.C. 7982(c)(3)) is amend-  
20 ed—

21 (1) in subparagraph (A), by adding “and” at  
22 the end;

23 (2) in subparagraph (B), by striking “August”  
24 and all that follows through the end and inserting  
25 “September 30, 2007, 34 percent.”; and

1 (3) by striking subparagraph (C).

2 **SEC. 1007. DAIRY ASSISTANCE.**

3 There is hereby appropriated \$20,000,000 to make  
4 payments to dairy producers for dairy production losses  
5 in disaster counties, as defined in section 1002 of this  
6 title, to remain available until expended.

7 **SEC. 1008. NONINSURED CROP ASSISTANCE PROGRAM.**

8 For states in which there is a shortage of claims ad-  
9 justors, as determined by the Secretary, the Secretary  
10 shall permit the use of one claims adjustor certified by  
11 the Secretary in carrying out 7 CFR 1437.401.

12 **SEC. 1009. EMERGENCY GRANTS TO ASSIST LOW-INCOME**  
13 **MIGRANT AND SEASONAL FARMWORKERS.**

14 There is hereby appropriated \$21,000,000 to carry  
15 out section 2281 of the Food, Agriculture, Conservation  
16 and Trade Act of 1990 (42 U.S.C. 5177a), to remain  
17 available until expended.

18 **SEC. 1010. CONSERVATION SECURITY PROGRAM.**

19 Section 20115 of Public Law 110–5 is amended by  
20 striking “section 726” and inserting in lieu thereof “sec-  
21 tion 726; section 741”.

22 **SEC. 1011. ADMINISTRATIVE EXPENSES.**

23 There is hereby appropriated \$30,000,000 for the  
24 “Farm Service Agency, Salaries and Expenses”, to remain  
25 available until September 30, 2008.

1 **SEC. 1012. CONTRACT WAIVER.**

2 In carrying out crop disaster and livestock assistance  
 3 in this title, the Secretary shall require forage producers  
 4 to have participated in a crop insurance pilot program or  
 5 the Non-Insured Crop Disaster Assistance Program dur-  
 6 ing the crop year for which compensation is received.

7 **SEC. 1013. EMERGENCY DESIGNATION.**

8 Amounts in this title are designated as emergency re-  
 9 quirements pursuant to section 402 of H. Con. Res. 95  
 10 (109th Congress), and pursuant to section 501 of H. Con.  
 11 Res. 376 (109th Congress) as made applicable to the  
 12 House of Representatives by section 511(a)(4) of H. Res.  
 13 6 (110th Congress).

14 **TITLE II—EMERGENCY APPRO-**  
 15 **PRIATIONS FOR WESTERN**  
 16 **STATES**

17 **CHAPTER 1—FISHERIES DISASTER**  
 18 **ASSISTANCE**

19 DEPARTMENT OF COMMERCE  
 20 NATIONAL OCEANIC AND ATMOSPHERIC  
 21 ADMINISTRATION  
 22 OPERATIONS, RESEARCH, AND FACILITIES

23 For an additional amount for “Operations, Research,  
 24 and Facilities”, \$60,400,000, to remain available until  
 25 September 30, 2008: *Provided*, That the National Marine  
 26 Fisheries Service shall cause such amounts to be distrib-

1 uted among eligible recipients of assistance for the com-  
2 mercial fishery failure designated under section 312(a) of  
3 the Magnuson-Stevens Fishery Conservation and Manage-  
4 ment Act (16 U.S.C. 1861a(a)) and declared by the Sec-  
5 retary of Commerce on August 10, 2006.

6 **CHAPTER 2—WILDLAND FIREFIGHTING**  
7 **AND RURAL SCHOOLS**

8 DEPARTMENT OF THE INTERIOR

9 BUREAU OF LAND MANAGEMENT

10 WILDLAND FIRE MANAGEMENT

11 (INCLUDING TRANSFER OF FUNDS)

12 For an additional amount for “Wildland Fire Man-  
13 agement”, \$100,000,000, to remain available until ex-  
14 pended, for urgent wildland fire suppression activities:  
15 *Provided*, That such funds shall only become available if  
16 funds previously provided for wildland fire suppression will  
17 be exhausted imminently and the Secretary of the Interior  
18 notifies the House and Senate Committees on Appropria-  
19 tions in writing of the need for these additional funds: *Pro-*  
20 *vided further*, That such funds are also available for repay-  
21 ment to other appropriations accounts from which funds  
22 were transferred for wildfire suppression.

## 1 DEPARTMENT OF AGRICULTURE

## 2 FOREST SERVICE

## 3 WILDLAND FIRE MANAGEMENT

## 4 (INCLUDING TRANSFER OF FUNDS)

5 For an additional amount for “Wildland Fire Man-  
6 agement”, \$400,000,000, to remain available until ex-  
7 pended, for urgent wildland fire suppression activities:  
8 *Provided*, That such funds shall only become available if  
9 funds provided previously for wildland fire suppression will  
10 be exhausted imminently and the Secretary of Agriculture  
11 notifies the House and Senate Committees on Appropria-  
12 tions in writing of the need for these additional funds: *Pro-*  
13 *vided further*, That such funds are also available for repay-  
14 ment to other appropriation accounts from which funds  
15 were transferred for wildfire suppression.

## 16 GENERAL PROVISION, THIS CHAPTER

17 **SEC. 2201. SECURE RURAL SCHOOLS.**

18 (a) For fiscal year 2007, payments shall be made  
19 from any revenues, fees, penalties, or miscellaneous re-  
20 ceipts described in sections 102(b)(3) and 103(b)(2) of the  
21 Secure Rural Schools and Community Self-Determination  
22 Act of 2000 (Public Law 106–393; 16 U.S.C. 500 note),  
23 not to exceed \$100,000,000, and the payments shall be  
24 made, to the maximum extent practicable, in the same  
25 amounts, for the same purposes, and in the same manner

1 as were made to States and counties in 2006 under that  
2 Act.

3 (b) There is appropriated \$425,000,000, to remain  
4 available until December 31, 2007, to be used to cover  
5 any shortfall for payments made under this section from  
6 funds not otherwise appropriated.

7 (c) Titles II and III of Public Law 106–393 are  
8 amended, effective September 30, 2006, by striking  
9 “2006” and “2007” each place they appear and inserting  
10 “2007” and “2008”, respectively.

11 **CHAPTER 3—GENERAL PROVISION, THIS**

12 **TITLE**

13 **SEC. 2301. EMERGENCY DESIGNATION.**

14 Amounts in this title are designated as emergency re-  
15 quirements pursuant to section 402 of H. Con. Res. 95  
16 (109th Congress), and pursuant to section 501 of H. Con.  
17 Res. 376 (109th Congress) as made applicable to the  
18 House of Representatives by section 511(a)(4) of H. Res.  
19 6 (110th Congress).

Passed the House of Representatives May 10, 2007.

Attest:

*Clerk.*



110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

---

---

**H. R. 2206**

**AN ACT**

Making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.