

110TH CONGRESS
1ST SESSION

H. R. 2206

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

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2007

Mr. OBEY introduced the following bill; which was referred to the Committee on Appropriations, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

Making emergency supplemental appropriations 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “U.S. Troop Readiness,
5 Veterans’ Care, Katrina Recovery, and Iraq Accountability
6 Appropriations Act, 2007”.

7 **SEC. 2. TABLE OF CONTENTS.**

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

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

1 **SEC. 3. STATEMENT OF APPROPRIATIONS.**

2 The following sums in this Act are appropriated, out
3 of any money in the Treasury not otherwise appropriated,
4 for the fiscal year ending September 30, 2007.

5 **TITLE I—FUNDING FOR MILI-**
6 **TARY OPERATIONS IN IRAQ**
7 **AND AFGHANISTAN**

8 **CHAPTER 1—IMMEDIATE FUNDING NEEDS**

9 DEPARTMENT OF DEFENSE—MILITARY

10 MILITARY PERSONNEL

11 MILITARY PERSONNEL, ARMY

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

14 MILITARY PERSONNEL, NAVY

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

17 MILITARY PERSONNEL, MARINE CORPS

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

1 MILITARY PERSONNEL, AIR FORCE

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

4 RESERVE PERSONNEL, ARMY

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

7 RESERVE PERSONNEL, NAVY

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

10 RESERVE PERSONNEL, MARINE CORPS

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

13 RESERVE PERSONNEL, AIR FORCE

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

16 NATIONAL GUARD PERSONNEL, ARMY

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

19 NATIONAL GUARD PERSONNEL, AIR FORCE

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

22 OPERATION AND MAINTENANCE

23 OPERATION AND MAINTENANCE, ARMY

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

1 OTHER PROCUREMENT, NAVY

2 For an additional amount for “Other Procurement,
3 Navy”, \$130,040,000, to remain available until September
4 30, 2009: *Provided*, That the amount provided under this
5 heading shall be available only for the purchase of mine
6 resistant ambush protected vehicles.

7 PROCUREMENT, MARINE CORPS

8 For an additional amount for “Procurement, Marine
9 Corps”, \$1,263,360,000, 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 OTHER PROCUREMENT, AIR FORCE

14 For an additional amount for “Other Procurement,
15 Air Force”, \$139,040,000, 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 PROCUREMENT, DEFENSE-WIDE

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

1 OTHER DEPARTMENT OF DEFENSE PROGRAMS
2 DEFENSE HEALTH PROGRAM
3 (INCLUDING TRANSFER OF FUNDS)

4 For an additional amount for “Defense Health Pro-
5 gram”, \$3,251,853,000; of which \$2,802,153,000 shall be
6 for operation and maintenance, including \$600,000,000
7 which shall be available for the treatment of traumatic
8 brain injury and post-traumatic stress disorder and re-
9 main available until September 30, 2008; of which
10 \$118,000,000 shall be for procurement, to remain avail-
11 able until September 30, 2009; and of which
12 \$331,700,000 shall be for research, development, test and
13 evaluation, to remain available until September 30, 2008:
14 *Provided*, That the funds provided under this heading
15 shall be allocated in accordance with the direction given
16 in the joint explanatory statement accompanying the con-
17 ference report on H.R. 1591 of the 110th Congress (H.
18 Rept. 110–107): *Provided further*, That if the Secretary
19 of Defense determines that funds made available in this
20 paragraph for the treatment of traumatic brain injury and
21 post-traumatic stress disorder are in excess of the require-
22 ments of the Department of Defense, the Secretary may
23 transfer amounts in excess of that requirement to the De-
24 partment of Veterans Affairs to be available only for the
25 same purpose.

1 **CHAPTER 2—ADDITIONAL FUNDING**

2 DEPARTMENT OF DEFENSE—MILITARY

3 MILITARY PERSONNEL

4 MILITARY PERSONNEL, ARMY

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

7 MILITARY PERSONNEL, NAVY

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

10 MILITARY PERSONNEL, MARINE CORPS

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

13 MILITARY PERSONNEL, AIR FORCE

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

16 RESERVE PERSONNEL, ARMY

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

19 RESERVE PERSONNEL, NAVY

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

22 RESERVE PERSONNEL, AIR FORCE

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

1 NATIONAL GUARD PERSONNEL, ARMY

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

4 NATIONAL GUARD PERSONNEL, AIR FORCE

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

7 OPERATION AND MAINTENANCE

8 OPERATION AND MAINTENANCE, ARMY

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

11 OPERATION AND MAINTENANCE, NAVY

12 (INCLUDING TRANSFER OF FUNDS)

13 For an additional amount for “Operation and Main-
14 tenance, Navy”, \$2,313,794,000, of which up to
15 \$120,293,000 shall be transferred to Coast Guard, “Oper-
16 ating Expenses”, for reimbursement for activities which
17 support activities requested by the Navy.

18 OPERATION AND MAINTENANCE, MARINE CORPS

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

21 OPERATION AND MAINTENANCE, AIR FORCE

22 For an additional amount for “Operation and Main-
23 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, of which—

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

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

1 to the congressional defense committees on the use
2 of funds provided in this paragraph.

3 OPERATION AND MAINTENANCE, ARMY RESERVE

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

6 OPERATION AND MAINTENANCE, NAVY RESERVE

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

9 OPERATION AND MAINTENANCE, MARINE CORPS

10 RESERVE

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

13 OPERATION AND MAINTENANCE, AIR FORCE RESERVE

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

16 OPERATION AND MAINTENANCE, ARMY NATIONAL

17 GUARD

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

20 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

21 For an additional amount for “Operation and Main-
22 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, to remain available until
4 September 30, 2008.

5 IRAQ SECURITY FORCES FUND

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

9 IRAQ FREEDOM FUND

10 (INCLUDING TRANSFER OF FUNDS)

11 For an additional amount for “Iraq Freedom Fund”,
12 \$355,600,000, to remain available for transfer until Sep-
13 tember 30, 2008: *Provided*, That up to \$50,000,000 may
14 be obligated and expended for purposes of the Task Force
15 to Improve Business and Stability Operations in Iraq.

16 JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

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

20 STRATEGIC RESERVE READINESS FUND

21 (INCLUDING TRANSFER OF FUNDS)

22 In addition to amounts provided in this or any other
23 Act, for training, operations, repair of equipment, pur-
24 chases of equipment, and other expenses related to im-
25 proving the readiness of non-deployed United States mili-

1 tary forces, \$2,000,000,000, to remain available until Sep-
2 tember 30, 2009; of which \$1,000,000,000 shall be trans-
3 ferred to “National Guard and Reserve Equipment” for
4 the purchase of equipment for the Army National Guard;
5 and of which \$1,000,000,000 shall be transferred by the
6 Secretary of Defense only to appropriations for military
7 personnel, operation and maintenance, procurement, and
8 defense working capital funds to accomplish the purposes
9 provided herein: *Provided*, That the funds transferred
10 shall be merged with and shall be available for the same
11 purposes and for the same time period as the appropria-
12 tion to which transferred: *Provided further*, That the Sec-
13 retary of Defense shall, not fewer than thirty days prior
14 to making transfers under this authority, notify the con-
15 gressional defense committees in writing of the details of
16 any such transfers made pursuant to this authority: *Pro-*
17 *vided further*, That funds shall be transferred to the ap-
18 propriation accounts not later than 120 days after the en-
19 actment of this Act: *Provided further*, That the transfer
20 authority provided in this paragraph is in addition to any
21 other transfer authority available to the Department of
22 Defense: *Provided further*, That upon a determination that
23 all or part of the funds transferred from this appropriation
24 are not necessary for the purposes provided herein, such
25 amounts may be transferred back to this appropriation.

1 PROCUREMENT

2 AIRCRAFT PROCUREMENT, ARMY

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

6 MISSILE PROCUREMENT, ARMY

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

10 PROCUREMENT OF WEAPONS AND TRACKED COMBAT

11 VEHICLES, ARMY

12 For an additional amount for “Procurement of Weap-
13 ons and Tracked Combat Vehicles, Army”,
14 \$3,404,315,000, to remain available until September 30,
15 2009.

16 PROCUREMENT OF AMMUNITION, ARMY

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

20 OTHER PROCUREMENT, ARMY

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

1 AIRCRAFT PROCUREMENT, NAVY

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

5 WEAPONS PROCUREMENT, NAVY

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

9 PROCUREMENT OF AMMUNITION, NAVY AND MARINE
10 CORPS

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

14 OTHER PROCUREMENT, NAVY

15 For an additional amount for “Other Procurement,
16 Navy”, \$618,709,000, to remain available until September
17 30, 2009.

18 PROCUREMENT, MARINE CORPS

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

22 AIRCRAFT PROCUREMENT, AIR FORCE

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

1 MISSILE PROCUREMENT, AIR FORCE

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

5 PROCUREMENT OF AMMUNITION, AIR FORCE

6 For an additional amount for “Procurement of Am-
7 muniton, Air Force”, \$6,000,000, to remain available
8 until September 30, 2009.

9 OTHER PROCUREMENT, AIR FORCE

10 For an additional amount for “Other Procurement,
11 Air Force”, \$1,957,160,000, to remain available until
12 September 30, 2009.

13 PROCUREMENT, DEFENSE-WIDE

14 For an additional amount for “Procurement, De-
15 fense-Wide”, \$721,190,000, to remain available until Sep-
16 tember 30, 2009.

17 RESEARCH, DEVELOPMENT, TEST AND
18 EVALUATION19 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,
20 ARMY

21 For an additional amount for “Research, Develop-
22 ment, Test and Evaluation, Army”, \$100,006,000, to re-
23 main available until September 30, 2008.

1 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,
2 NAVY

3 For an additional amount for “Research, Develop-
4 ment, Test and Evaluation, Navy”, \$298,722,000, to re-
5 main available until September 30, 2008.

6 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,
7 AIR FORCE

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

11 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,
12 DEFENSE-WIDE

13 For an additional amount for “Research, Develop-
14 ment, Test and Evaluation, Defense-Wide”,
15 \$512,804,000, to remain available until September 30,
16 2008.

17 REVOLVING AND MANAGEMENT FUNDS

18 DEFENSE WORKING CAPITAL FUNDS

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

21 NATIONAL DEFENSE SEALIFT FUND

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

1 OTHER DEPARTMENT OF DEFENSE PROGRAMS
2 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES,
3 DEFENSE

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

7 RELATED AGENCIES

8 INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

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

11 **CHAPTER 3—GENERAL PROVISIONS, THIS**
12 **TITLE**

13 SEC. 1301. Appropriations provided in this title are
14 available for obligation until September 30, 2007, unless
15 otherwise provided in this title.

16 (TRANSFER OF FUNDS)

17 SEC. 1302. Upon his determination that such action
18 is necessary in the national interest, the Secretary of De-
19 fense may transfer between appropriations up to
20 \$3,500,000,000 of the funds made available to the De-
21 partment of Defense in this title: *Provided*, That the Sec-
22 retary shall notify the Congress promptly of each transfer
23 made pursuant to the authority in this section: *Provided*
24 *further*, That the authority provided in this section is in
25 addition to any other transfer authority available to the
26 Department of Defense and is subject to the same terms

1 and conditions as the authority provided in section 8005
2 of the Department of Defense Appropriations Act, 2007
3 (Public Law 109–289; 120 Stat. 1257), except for the
4 fourth proviso: *Provided further*, That funds previously
5 transferred to the “Joint Improvised Explosive Device De-
6 feat Fund” and the “Iraq Security Forces Fund” under
7 the authority of section 8005 of Public Law 109–289 and
8 transferred back to their source appropriations accounts
9 shall not be taken into account for purposes of the limita-
10 tion on the amount of funds that may be transferred
11 under section 8005.

12 SEC. 1303. Funds appropriated in this title, or made
13 available by the transfer of funds in or pursuant to this
14 title, for intelligence activities are deemed to be specifically
15 authorized by the Congress for purposes of section
16 504(a)(1) of the National Security Act of 1947 (50 U.S.C.
17 414(a)(1)).

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

(TRANSFER OF FUNDS)

1
2 SEC. 1305. During fiscal year 2007, the Secretary
3 of Defense may transfer not to exceed \$6,300,000 of the
4 amounts in or credited to the Defense Cooperation Ac-
5 count, pursuant to 10 U.S.C. 2608, to such appropriations
6 or funds of the Department of Defense as he shall deter-
7 mine for use consistent with the purposes for which such
8 funds were contributed and accepted: *Provided*, That such
9 amounts shall be available for the same time period as
10 the appropriation to which transferred: *Provided further*,
11 That the Secretary shall report to the Congress all trans-
12 fers made pursuant to this authority.

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

22 (b) TYPES OF SUPPORT.—

23 (1) Except as specified in subsection (b)(2) of
24 this section, the support that may be provided under
25 the authority in this section shall be limited to the

1 types of support specified in section 1033(c)(1) of
2 the National Defense Authorization Act for Fiscal
3 Year 1998 (Public Law 105–85, as amended by
4 Public Laws 106–398, 108–136, and 109–364) and
5 conditions on the provision of support as contained
6 in section 1033 shall apply for fiscal year 2007.

7 (2) The Secretary of Defense may transfer ve-
8 hicles, aircraft, and detection, interception, moni-
9 toring and testing equipment to said Governments
10 for counter-drug activities.

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

21 (b) QUARTERLY REPORTS.—Not later than 15 days
22 after the end of each fiscal year quarter, the Secretary
23 of Defense shall submit to the congressional defense com-
24 mittees a report regarding the source of funds and the
25 allocation and use of funds during that quarter that were

1 made available pursuant to the authority provided in this
2 section or under any other provision of law for the pur-
3 poses of the programs under subsection (a).

4 SEC. 1308. Section 9010 of division A of Public Law
5 109–289 is amended by striking “2007” each place it ap-
6 pears and inserting “2008”.

7 SEC. 1309. During fiscal year 2007, supervision and
8 administration costs associated with projects carried out
9 with funds appropriated to “Afghanistan Security Forces
10 Fund” or “Iraq Security Forces Fund” in this title may
11 be obligated at the time a construction contract is award-
12 ed: *Provided*, That for the purpose of this section, super-
13 vision and administration costs include all in-house Gov-
14 ernment costs.

15 SEC. 1310. Section 1005(c)(2) of the National De-
16 fense Authorization Act, Fiscal Year 2007 (Public Law
17 109–364) is amended by striking “\$310,277,000” and in-
18 serting “\$376,446,000”.

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

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

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

3 SEC. 1312. None of the funds made available in this
4 Act may be used in contravention of the following laws
5 enacted or regulations promulgated to implement the
6 United Nations Convention Against Torture and Other
7 Cruel, Inhuman or Degrading Treatment or Punishment
8 (done at New York on December 10, 1984)—

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

11 (2) section 2242 of the Foreign Affairs Reform
12 and Restructuring Act of 1998 (division G of Public
13 Law 105–277; 112 Stat. 2681–822; 8 U.S.C. 1231
14 note) and regulations prescribed thereto, including
15 regulations under part 208 of title 8, Code of Fed-
16 eral Regulations, and part 95 of title 22, Code of
17 Federal Regulations; and

18 (3) sections 1002 and 1003 of the Department
19 of Defense, Emergency Supplemental Appropriations
20 to Address Hurricanes in the Gulf of Mexico, and
21 Pandemic Influenza Act, 2006 (Public Law 109–
22 148).

23 SEC. 1313. (a) REPORT BY SECRETARY OF DE-
24 FENSE.—Not later than 30 days after the date of the en-
25 actment of this Act, the Secretary of Defense shall submit

1 to the congressional defense committees a report that con-
2 tains individual transition readiness assessments by unit
3 of Iraq and Afghan security forces. The Secretary of De-
4 fense shall submit to the congressional defense committees
5 updates of the report required by this subsection every 90
6 days after the date of the submission of the report until
7 October 1, 2008. The report and updates of the report
8 required by this subsection shall be submitted in classified
9 form.

10 (b) REPORT BY OMB.—

11 (1) The Director of the Office of Management
12 and Budget, in consultation with the Secretary of
13 Defense; the Commander, Multi-National Security
14 Transition Command—Iraq; and the Commander,
15 Combined Security Transition Command—Afghani-
16 stan, shall submit to the congressional defense com-
17 mittees not later than 120 days after the date of the
18 enactment of this Act and every 90 days thereafter
19 a report on the proposed use of all funds under each
20 of the headings “Iraq Security Forces Fund” and
21 “Afghanistan Security Forces Fund” on a project-
22 by-project basis, for which the obligation of funds is
23 anticipated during the three-month period from such
24 date, including estimates by the commanders re-

1 ferred to in this paragraph of the costs required to
2 complete each such project.

3 (2) The report required by this subsection shall
4 include the following:

5 (A) The use of all funds on a project-by-
6 project basis for which funds appropriated
7 under the headings referred to in paragraph (1)
8 were obligated prior to the submission of the re-
9 port, including estimates by the commanders
10 referred to in paragraph (1) of the costs to
11 complete each project.

12 (B) The use of all funds on a project-by-
13 project basis for which funds were appropriated
14 under the headings referred to in paragraph (1)
15 in prior appropriations Acts, or for which funds
16 were made available by transfer, reprogram-
17 ming, or allocation from other headings in prior
18 appropriations Acts, including estimates by the
19 commanders referred to in paragraph (1) of the
20 costs to complete each project.

21 (C) An estimated total cost to train and
22 equip the Iraq and Afghan security forces,
23 disaggregated by major program and sub-ele-
24 ments by force, arrayed by fiscal year.

1 (c) NOTIFICATION.—The Secretary of Defense shall
2 notify the congressional defense committees of any pro-
3 posed new projects or transfers of funds between sub-ac-
4 tivity groups in excess of \$15,000,000 using funds appro-
5 priated by this Act under the headings “Iraq Security
6 Forces Fund” and “Afghanistan Security Forces Fund”.

7 SEC. 1314. None of the funds appropriated or other-
8 wise made available by this title may be obligated or ex-
9 pended to provide award fees to any defense contractor
10 contrary to the provisions of section 814 of the National
11 Defense Authorization Act, Fiscal Year 2007 (Public Law
12 109–364).

13 SEC. 1315. Not more than 85 percent of the funds
14 appropriated in chapter 2 for operation and maintenance
15 shall be available for obligation unless and until the Sec-
16 retary of Defense submits to the congressional defense
17 committees a report detailing the use of Department of
18 Defense funded service contracts conducted in the theater
19 of operations in support of United States military and re-
20 construction activities in Iraq and Afghanistan: *Provided*,
21 That the report shall provide detailed information speci-
22 fying the number of contracts and contract costs used to
23 provide services in fiscal year 2006, with sub-allocations
24 by major service categories: *Provided further*, That the re-
25 port also shall include estimates of the number of con-

1 tracts to be executed in fiscal year 2007: *Provided further*,
2 That the report shall include the number of contractor
3 personnel in Iraq and Afghanistan funded by the Depart-
4 ment of Defense: *Provided further*, That the report shall
5 be submitted to the congressional defense committees not
6 later than August 1, 2007.

7 SEC. 1316. Section 1477 of title 10, United States
8 Code, is amended—

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

12 (2) by redesignating subsection (d) as sub-
13 section (e) and, in such subsection, by striking “If
14 an eligible survivor dies before he” and inserting “If
15 a person entitled to all or a portion of a death gra-
16 tuity under subsection (a) or (d) dies before the per-
17 son”; and

18 (3) by inserting after subsection (c) the fol-
19 lowing new subsection (d):

20 “(d) During the period beginning on the date of the
21 enactment of this subsection and ending on September 30,
22 2007, a person covered by section 1475 or 1476 of this
23 title may designate another person to receive not more
24 than 50 percent of the amount payable under section 1478
25 of this title. The designation shall indicate the percentage

1 of the amount, to be specified only in 10 percent incre-
2 ments up to the maximum of 50 percent, that the des-
3 ignated person may receive. The balance of the amount
4 of the death gratuity shall be paid to or for the living sur-
5 vivors of the person concerned in accordance with para-
6 graphs (1) through (5) of subsection (a).”.

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

9 SEC. 1318. (a) INSPECTION OF MILITARY MEDICAL
10 TREATMENT FACILITIES, MILITARY QUARTERS HOUSING
11 MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS
12 HOUSING MEDICAL HOLDOVER PERSONNEL.—

13 (1) IN GENERAL.—Not later than 180 days
14 after the date of the enactment of this Act, and an-
15 nually thereafter, the Secretary of Defense shall in-
16 spect each facility of the Department of Defense as
17 follows:

18 (A) Each military medical treatment facil-
19 ity.

20 (B) Each military quarters housing med-
21 ical hold personnel.

22 (C) Each military quarters housing med-
23 ical holdover personnel.

24 (2) PURPOSE.—The purpose of an inspection
25 under this subsection is to ensure that the facility or

1 quarters concerned meets acceptable standards for
2 the maintenance and operation of medical facilities,
3 quarters housing medical hold personnel, or quarters
4 housing medical holdover personnel, as applicable.

5 (b) ACCEPTABLE STANDARDS.—For purposes of this
6 section, acceptable standards for the operation and main-
7 tenance of military medical treatment facilities, military
8 quarters housing medical hold personnel, or military quar-
9 ters housing medical holdover personnel are each of the
10 following:

11 (1) Generally accepted standards for the ac-
12 creditation of medical facilities, or for facilities used
13 to quarter individuals with medical conditions that
14 may require medical supervision, as applicable, in
15 the United States.

16 (2) Where appropriate, standards under the
17 Americans with Disabilities Act of 1990 (42 U.S.C.
18 12101 et seq.).

19 (c) ADDITIONAL INSPECTIONS ON IDENTIFIED DEFICI-
20 CIENCIES.—

21 (1) IN GENERAL.—In the event a deficiency is
22 identified pursuant to subsection (a) at a facility or
23 quarters described in paragraph (1) of that sub-
24 section—

1 (A) the commander of such facility or
2 quarters, as applicable, shall submit to the Sec-
3 retary a detailed plan to correct the deficiency;
4 and

5 (B) the Secretary shall reinspect such fa-
6 cility or quarters, as applicable, not less often
7 than once every 180 days until the deficiency is
8 corrected.

9 (2) CONSTRUCTION WITH OTHER INSPEC-
10 TIONS.—An inspection of a facility or quarters
11 under this subsection is in addition to any inspection
12 of such facility or quarters under subsection (a).

13 (d) REPORTS ON INSPECTIONS.—A complete copy of
14 the report on each inspection conducted under subsections
15 (a) and (c) shall be submitted in unclassified form to the
16 applicable military medical command and to the congres-
17 sional defense committees.

18 (e) REPORT ON STANDARDS.—In the event no stand-
19 ards for the maintenance and operation of military med-
20 ical treatment facilities, military quarters housing medical
21 hold personnel, or military quarters housing medical hold-
22 over personnel exist as of the date of the enactment of
23 this Act, or such standards as do exist do not meet accept-
24 able standards for the maintenance and operation of such
25 facilities or quarters, as the case may be, the Secretary

1 shall, not later than 30 days after that date, submit to
2 the congressional defense committees a report setting
3 forth the plan of the Secretary to ensure—

4 (1) the adoption by the Department of stand-
5 ards for the maintenance and operation of military
6 medical facilities, military quarters housing medical
7 hold personnel, or military quarters housing medical
8 holdover personnel, as applicable, that meet—

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

12 (B) where appropriate, standards under
13 the Americans with Disabilities Act of 1990;
14 and

15 (2) the comprehensive implementation of the
16 standards adopted under paragraph (1) at the ear-
17 liest date practicable.

18 SEC. 1319. From funds made available for the “Iraq
19 Security Forces Fund” for fiscal year 2007, up to
20 \$155,500,000 may be used, notwithstanding any other
21 provision of law, to provide assistance, with the concur-
22 rence of the Secretary of State, to the Government of Iraq
23 to support the disarmament, demobilization, and re-
24 integration of militias and illegal armed groups.

1 SEC. 1320. (a) INDEPENDENT ASSESSMENT OF CA-
2 PABILITIES OF IRAQI SECURITY FORCES.—Of the amount
3 appropriated or otherwise made available for the Depart-
4 ment of Defense, \$750,000 is provided to commission an
5 independent, private-sector entity, which operates as a
6 501(c)(3) with recognized credentials and expertise in
7 military affairs, to prepare an independent report assess-
8 ing the following:

9 (1) The readiness of the Iraqi Security Forces
10 (ISF) to assume responsibility for maintaining the
11 territorial integrity of Iraq, denying international
12 terrorists a safe haven, and bringing greater security
13 to Iraq’s 18 provinces in the next 12–18 months,
14 and bringing an end to sectarian violence to achieve
15 national reconciliation.

16 (2) The training; equipping; command, control
17 and intelligence capabilities; and logistics capacity of
18 the ISF.

19 (3) The likelihood that, given the ISF’s record
20 of preparedness to date, following years of training
21 and equipping by U.S. forces, the continued support
22 of U.S. troops will contribute to the readiness of the
23 ISF to fulfill the missions outlined in subparagraph
24 (1).

1 (b) REPORT.—Not later than 120 days after passage
2 of this Act, the designated private sector entity shall pro-
3 vide an unclassified report, with a classified annex, con-
4 taining its findings, to the House and Senate Committees
5 on Armed Services, Appropriations, Foreign Relations,
6 and Intelligence.

7 SEC. 1321. (a) AWARD OF MEDAL OF HONOR TO
8 WOODROW W. KEEBLE FOR VALOR DURING KOREAN
9 WAR.—Notwithstanding any applicable time limitation
10 under section 3744 of title 10, United States Code, or any
11 other time limitation with respect to the award of certain
12 medals to individuals who served in the Armed Forces, the
13 President may award to Woodrow W. Keeble the Medal
14 of Honor under section 3741 of that title for the acts of
15 valor described in subsection (b).

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

20 (TRANSFER OF FUNDS)

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

25 SEC. 1323. The Secretary of the Navy shall, notwith-
26 standing any other provision of law, transfer to the Sec-

1 retary of the Air Force, at no cost, all lands, easements,
2 Air Installation Compatible Use Zones, and facilities at
3 NASJRB Willow Grove designated for operation as a
4 Joint Interagency Installation for use by the Pennsylvania
5 National Guard and other Department of Defense compo-
6 nents, government agencies, and associated users to per-
7 form national defense, homeland security, and emergency
8 preparedness missions.

9 (TRANSFER OF FUNDS)

10 SEC. 1324. Notwithstanding any other provision of
11 law (except section 1331 of this Act), not to exceed
12 \$110,000,000 may be transferred to the “Economic Sup-
13 port Fund”, Department of State, for use in programs
14 in Pakistan from amounts appropriated in chapter 2 as
15 follows:

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

17 “National Guard Personnel, Army”,
18 \$13,183,000.

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

20 SEC. 1325. The Secretary of Defense, notwith-
21 standing any other provision of law, acting through the
22 Office of Economic Adjustment or the Office of Depend-
23 ents Education of the Department of Defense, shall use
24 not less than \$10,000,000 of funds made available in this
25 title under the heading “Operations and Maintenance, De-
26 fense-Wide” to make grants and supplement other Federal

1 funds to provide special assistance to local education agen-
2 cies in districts adversely affected by significant changes
3 in the military population.

4 SEC. 1326. (a) FINDINGS.—Congress finds the fol-
5 lowing:

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

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

13 (3) The Iraqi security forces continue to be
14 trained to achieve the highest level of combat effi-
15 ciency in order to provide for the security and sta-
16 bility of the Iraqi people.

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

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

1 (2) regular, accurate accounts of the combat
2 proficiency of battalions of the Iraqi security forces
3 are necessary for the American public to gauge the
4 development of the Iraqi security forces.

5 (c) REPORT ON COMBAT PROFICIENCY OF IRAQI SE-
6 CURITY FORCES.—The President shall transmit to the ap-
7 propriate congressional committees each month a report
8 in classified and unclassified form that contains an ac-
9 counting of the number of battalions of the security forces
10 of Iraq at each level of combat proficiency described in
11 subsection (d).

12 (d) LEVELS OF COMBAT PROFICIENCY.—The levels
13 of combat proficiency referred to in subsection (c) are the
14 following:

15 (1) Level 1 means a battalion that can conduct
16 independent combat operations without support from
17 Coalition forces in Iraq.

18 (2) Level 2 means a battalion that can conduct
19 independent combat operations, but only with
20 logistical support, or non-combat-related support
21 from Coalition forces in Iraq.

22 (3) Level 3 means a battalion that can partici-
23 pate in combat operations alongside Coalition forces,
24 but cannot conduct independent combat operations

1 without direct combat support from Coalition forces
2 in Iraq.

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

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

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

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

19 (1) the Committee on Appropriations, the Com-
20 mittee on Armed Services, and the Permanent Select
21 Committee on Intelligence of the House of Rep-
22 resentatives; and

23 (2) the Committee on Appropriations, the Com-
24 mittee on Armed Services, and the Select Committee
25 on Intelligence of the Senate.

1 (h) EFFECTIVE DATE.—The requirement to transmit
2 and make available reports under this section shall apply
3 with respect to the first month beginning after the date
4 of the enactment of this Act and to each subsequent
5 month thereafter until the President determines and cer-
6 tifies to the appropriate congressional committees that the
7 security forces of Iraq have achieved combat proficiency
8 to the extent necessary to combat the insurgency in Iraq.

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

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

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

1 (d) The President, by certifying in writing to the
2 Committees on Appropriations and the Committees on
3 Armed Services that the deployment to Iraq of a unit that
4 is not assessed fully mission capable is required for rea-
5 sons of national security and by submitting along with the
6 certification a report in classified and unclassified form
7 detailing the particular reason or reasons why the unit's
8 deployment is necessary, may waive the limitation pre-
9 scribed in subsection (b) on a unit-by-unit basis.

10 SEC. 1328. (a) Congress finds that it is Defense De-
11 partment policy that Army, Army Reserve, and National
12 Guard units should not be deployed for combat beyond
13 365 days or that Marine Corps and Marine Corps Reserve
14 units should not be deployed for combat beyond 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 extending the deployment for Operation Iraqi Freedom
20 of—

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

23 (2) any unit of the Marine Corps or Marine
24 Corps Reserve beyond 210 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 extension of a unit's deployment
8 in Iraq beyond the periods specified in subsection (b) is
9 required for reasons of national security and by submit-
10 ting along with the certification a report in classified and
11 unclassified form detailing the particular reason or rea-
12 sons why the unit's extended deployment is necessary, may
13 waive the limitations prescribed in subsection (b) on a
14 unit-by-unit basis.

15 SEC. 1329. (a) Congress finds that it is Defense De-
16 partment policy that Army, Army Reserve, and National
17 Guard units should not be redeployed for combat if the
18 unit has been deployed within the previous 365 consecu-
19 tive days or that Marine Corps and Marine Corps Reserve
20 units should not be redeployed for combat if the unit has
21 been deployed within the previous 210 days.

22 (b) None of the funds appropriated or otherwise
23 made available in this or any other Act may be obligated
24 or expended to initiate the development of, continue the

1 development of, or execute any order that has the effect
2 of deploying for Operation Iraqi Freedom of—

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

6 (2) any unit of the Marine Corps or Marine
7 Corps Reserve if such unit has been deployed within
8 the previous 210 consecutive days.

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

13 (d) The President, by certifying in writing to the
14 Committees on Appropriations and the Committees on
15 Armed Services that the redeployment of a unit to Iraq
16 in advance of the periods specified in subsection (b) is re-
17 quired for reasons of national security and by submitting
18 along with the certification a report in classified and un-
19 classified form detailing the particular reason or reasons
20 why the unit's redeployment is necessary, may waive the
21 limitations prescribed in subsection (b) on a unit-by-unit
22 basis.

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

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

3 (A) giving the United States Armed Forces
4 and Iraqi Security Forces the authority to pur-
5 sue all extremists, including Sunni insurgents
6 and Shiite militias;

7 (B) delivering necessary Iraqi Security
8 Forces for Baghdad and protecting such Forces
9 from political interference;

10 (C) intensifying efforts to build balanced
11 security forces throughout Iraq that provide
12 even-handed security for all Iraqis;

13 (D) ensuring that Iraq’s political authori-
14 ties are not undermining or making false accu-
15 sations against members of the Iraqi Security
16 Forces;

17 (E) eliminating militia control of local se-
18 curity;

19 (F) establishing a strong militia disar-
20 mament program;

21 (G) ensuring fair and just enforcement of
22 laws;

23 (H) establishing political, media, economic,
24 and service committees in support of the Bagh-
25 dad Security Plan;

1 (I) eradicating safe havens;

2 (J) reducing the level of sectarian violence
3 in Iraq; and

4 (K) ensuring that the rights of minority
5 political parties in the Iraqi Parliament are pro-
6 tected; and

7 (2) whether the Government of Iraq has—

8 (A) enacted a broadly accepted hydro-car-
9 bon law that equitably shares oil revenues
10 among all Iraqis;

11 (B) adopted legislation necessary for the
12 conduct of provincial and local elections, taken
13 steps to implement such legislation, and set a
14 schedule to conduct provincial and local elec-
15 tions;

16 (C) reformed current laws governing the
17 de-Baathification process to allow for more eq-
18 uitable treatment of individuals affected by
19 such laws;

20 (D) amended the Constitution of Iraq con-
21 sistent with the principles contained in article
22 137 of such Constitution; and

23 (E) allocated and begun expenditure of
24 \$10 billion in Iraqi revenues for reconstruction

1 projects, including delivery of essential services,
2 on an equitable basis.

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

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

9 (2) a joint resolution of approval is enacted into
10 law.

11 (b) JOINT RESOLUTION OF APPROVAL.—For pur-
12 poses of this section, the term “joint resolution of ap-
13 proval” means a joint resolution that is introduced by the
14 chairman of the Committee on Appropriations of the
15 House of Representatives or the Senate on the first legis-
16 lative day following the date on which the report of the
17 President required by section 1330 is received by the Con-
18 gress, does not contain a preamble, and the sole matter
19 after the resolving clause of which (other than as a result
20 of the adoption of an amendment permitted under sub-
21 section (f)) is as follows: “That the Congress approves the
22 obligation and expenditure of funds provided by chapter
23 2 of title I of the U.S. Troop Readiness, Veterans’ Care,
24 Katrina Recovery, and Iraq Accountability Appropriations
25 Act, 2007.”.

1 (c) REFERRAL TO COMMITTEES.—A joint resolution
2 of approval introduced in the House of Representatives
3 shall be referred to the Committee on Appropriations of
4 the House, and a joint resolution of approval introduced
5 in the Senate shall be referred to the Committee on Appro-
6 priations of the Senate.

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

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

18 (f) FLOOR CONSIDERATION IN HOUSE OF REP-
19 RESENTATIVES.—For purposes of the House of Rep-
20 resentatives:

21 (1) IN GENERAL.—Not later than the second
22 legislative day following the date on which the Com-
23 mittee on Appropriations has reported (or has been
24 discharged from further consideration of) a joint res-
25 olution of approval, the Speaker shall, pursuant to

1 clause 2(b) of rule XVIII, declare the House re-
2 solved into the Committee of the Whole House on
3 the state of the Union for consideration of the joint
4 resolution. The first reading of the joint resolution
5 shall be dispensed with. All points of order against
6 the joint resolution and against its consideration
7 shall be waived. General debate shall be confined to
8 the joint resolution and shall not exceed 2 hours
9 equally divided and controlled by the chairman and
10 ranking minority member of the Committee on Ap-
11 propriations. After general debate, the joint resolu-
12 tion shall be considered for amendment under the 5-
13 minute rule. No amendment to the joint resolution
14 shall be in order, except the amendment specified in
15 paragraph (2). Such amendment shall be considered
16 as read, shall be debatable for 2 hours equally di-
17 vided and controlled by the proponent and an oppo-
18 nent, shall not be subject to amendment, and shall
19 not be subject to a demand for division of the ques-
20 tion in the House or in the Committee of the Whole.
21 All points of order against such amendment are
22 waived. At the conclusion of consideration of the
23 joint resolution for amendment, the Committee shall
24 rise and report the joint resolution to the House
25 with such amendment as may have been adopted.

1 The previous question shall be considered as ordered
2 on the joint resolution and amendment thereto to
3 final passage without intervening motion.

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

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

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

1 (B) the Chairman of the Committee of the
2 Whole may not entertain any motion to strike
3 out the resolving words of the joint resolution
4 (as described in clause 9 of rule XVIII).

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

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

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

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

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

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

1 joint resolution is agreed to or disagreed to shall not
2 be in order.

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

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

14 (h) CONSIDERATION BY SENATE AFTER PASSAGE BY
15 HOUSE OF REPRESENTATIVES.—

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

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

23 (B) With respect to a joint resolution of
24 approval of the Senate—

1 (I) the procedure in the Senate shall
2 be the same as if no joint resolution had
3 been received from the House; but

4 (ii) the vote on final passage shall be
5 on the joint resolution of the House.

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

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

20 (i) RULES OF HOUSE OF REPRESENTATIVES AND
21 SENATE.—Subsections (b) through (h) are enacted by the
22 Congress—

23 (1) as an exercise of the rulemaking power of
24 the House of Representatives and the Senate, re-
25 spectively, and as such is deemed a part of the rules

1 of each House, respectively, and such procedures su-
2 persede other rules only to the extent that they are
3 inconsistent with such other rules; and

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

9 **TITLE II—OTHER INTER-**
10 **NATIONAL AND SECURITY-RE-**
11 **LATED FUNDING**

12 **CHAPTER 1**

13 DEPARTMENT OF JUSTICE

14 LEGAL ACTIVITIES

15 SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

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

19 SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

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

1 UNITED STATES MARSHALS SERVICE

2 SALARIES AND EXPENSES

3 For an additional amount for “Salaries and Ex-
4 penses”, \$6,450,000, to remain available until September
5 30, 2008.

6 NATIONAL SECURITY DIVISION

7 SALARIES AND EXPENSES

8 For an additional amount for “Salaries and Ex-
9 penses”, \$1,736,000, to remain available until September
10 30, 2008.

11 FEDERAL BUREAU OF INVESTIGATION

12 SALARIES AND EXPENSES

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

1 DRUG ENFORCEMENT ADMINISTRATION

2 SALARIES AND EXPENSES

3 For an additional amount for “Salaries and Ex-
4 penses”, \$12,166,000, to remain available until September
5 30, 2008.

6 BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND

7 EXPLOSIVES

8 SALARIES AND EXPENSES

9 For an additional amount for “Salaries and Ex-
10 penses”, \$4,000,000, to remain available until September
11 30, 2008.

12 FEDERAL PRISON SYSTEM

13 SALARIES AND EXPENSES

14 For an additional amount for “Salaries and Ex-
15 penses”, \$17,000,000, to remain available until September
16 30, 2008.

17 **CHAPTER 2**

18 DEPARTMENT OF ENERGY

19 ATOMIC ENERGY DEFENSE ACTIVITIES

20 NATIONAL NUCLEAR SECURITY ADMINISTRATION

21 DEFENSE NUCLEAR NONPROLIFERATION

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

1 GENERAL PROVISION—THIS CHAPTER

2 (TRANSFER OF FUNDS)

3 SEC. 2201. The Administrator of the National Nu-
4 clear Security Administration is authorized to transfer up
5 to \$1,000,000 from Defense Nuclear Nonproliferation to
6 the Office of the Administrator during fiscal year 2007
7 supporting nuclear nonproliferation activities.

8 **CHAPTER 3**

9 DEPARTMENT OF HOMELAND SECURITY

10 ANALYSIS AND OPERATIONS

11 For an additional amount for “Analysis and Oper-
12 ations”, \$15,000,000, to remain available until September
13 30, 2008, to be used for support of the State and Local
14 Fusion Center program.

15 UNITED STATES CUSTOMS AND BORDER PROTECTION

16 SALARIES AND EXPENSES

17 (INCLUDING TRANSFER OF FUNDS)

18 For an additional amount for “Salaries and Ex-
19 penses”, \$115,000,000, to remain available until Sep-
20 tember 30, 2008, to be used to increase the number of
21 officers, intelligence analysts and support staff responsible
22 for container security inspections, and for other efforts to
23 improve supply chain security: *Provided*, That up to
24 \$5,000,000 shall be transferred to Federal Law Enforce-
25 ment Training Center “Salaries and Expenses”, for basic
26 training costs.

1 AIR AND MARINE INTERDICTION, OPERATIONS,
2 MAINTENANCE, AND PROCUREMENT

3 For an additional amount for “Air and Marine Inter-
4 diction, Operations, Maintenance, and Procurement”, for
5 air and marine operations on the Northern Border, includ-
6 ing the final Northern Border air wing, \$120,000,000, to
7 remain available until September 30, 2008.

8 UNITED STATES IMMIGRATION AND CUSTOMS
9 ENFORCEMENT

10 SALARIES AND EXPENSES

11 For an additional amount for “Salaries and Ex-
12 penses”, \$10,000,000, to remain available until September
13 30, 2008.

14 TRANSPORTATION SECURITY ADMINISTRATION
15 AVIATION SECURITY

16 For an additional amount for “Aviation Security”,
17 \$970,000,000; of which \$815,000,000 shall be for pro-
18 curement and installation of checked baggage explosives
19 detection systems, to remain available until expended; of
20 which \$45,000,000 shall be for expansion of checkpoint
21 explosives detection pilot systems, to remain available until
22 expended; and of which \$110,000,000 shall be for air
23 cargo security, to remain available until September 30,
24 2009.

1 FEDERAL AIR MARSHALS

2 For an additional amount for “Federal Air Mar-
3 shals”, \$8,000,000, to remain available until September
4 30, 2008.

5 NATIONAL PROTECTION AND PROGRAMS

6 INFRASTRUCTURE PROTECTION AND INFORMATION

7 SECURITY

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

11 OFFICE OF HEALTH AFFAIRS

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

16 FEDERAL EMERGENCY MANAGEMENT AGENCY

17 MANAGEMENT AND ADMINISTRATION

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

1 ministrative and Regional Operations” and “Readiness,
2 Mitigation, Response, and Recovery” accounts shall be
3 transferred to “Management and Administration” and
4 may be used for any purpose authorized for such amounts
5 and subject to limitation on the use of such amounts.

6 STATE AND LOCAL PROGRAMS

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

24 EMERGENCY MANAGEMENT PERFORMANCE GRANTS

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

1 UNITED STATES CITIZENSHIP AND IMMIGRATION
2 SERVICES

3 For an additional amount for expenses of “United
4 States Citizenship and Immigration Services” to address
5 backlogs of security checks associated with pending appli-
6 cations and petitions, \$10,000,000, to remain available
7 until September 30, 2008: *Provided*, That none of the
8 funds made available under this heading shall be available
9 for obligation until the Secretary of Homeland Security,
10 in consultation with the United States Attorney General,
11 submits to the Committees on Appropriations of the Sen-
12 ate and the House of Representatives a plan to eliminate
13 the backlog of security checks that establishes information
14 sharing protocols to ensure United States Citizenship and
15 Immigration Services has the information it needs to carry
16 out its mission.

17 SCIENCE AND TECHNOLOGY
18 RESEARCH, DEVELOPMENT, ACQUISITION, AND
19 OPERATIONS

20 For an additional amount for “Research, Develop-
21 ment, Acquisition, and Operations” for air cargo security
22 research, \$10,000,000, to remain available until expended.

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)”;

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 Act, the
20 Secretary of Homeland Security shall update the regula-
21 tions 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 Act,
4 or Public Law 109–295, shall be available to carry out
5 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 Act: *Provided further*, That within 15 days of enactment
10 of this Act, the Office of Management and Budget shall
11 apportion \$15,000,000 from amounts appropriated or oth-
12 erwise made available by chapter 8 of title II of division
13 B of Public Law 109–148 under the heading “Emer-
14 gencies in the Diplomatic and Consular Service” for emer-
15 gency evacuations: *Provided further*, That of the amount
16 made available under this heading for Iraq, not to exceed
17 \$20,000,000 may be transferred to, and merged with,
18 funds in the “Emergencies in the Diplomatic and Consular
19 Service” appropriations account, to be available only for
20 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 Act 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 Act, the Sec-
9 retary 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 Act and every
10 30 days thereafter until September 30, 2008, the Sec-
11 retary 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 Act
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)).

1 EXTENSION OF OVERSIGHT AUTHORITY

2 SEC. 2602. Section 3001(o)(1)(B) of the Emergency
3 Supplemental Appropriations Act for Defense and for the
4 Reconstruction of Iraq and Afghanistan, 2004 (Public
5 Law 108–106; 117 Stat. 1238; 5 U.S.C. App., note to sec-
6 tion 8G of Public Law 95–452), as amended by section
7 1054(b) of the John Warner National Defense Authoriza-
8 tion Act for Fiscal Year 2007 (Public Law 109–364; 120
9 Stat. 2397) and section 2 of the Iraq Reconstruction Ac-
10 countability Act of 2006 (Public Law 109–440), is amend-
11 ed by inserting “or fiscal year 2007” after “fiscal year
12 2006”.

13 LEBANON

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

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

1 AND LAW ENFORCEMENT ASSISTANCE FOR LEBANON.—
2 None of the funds made available in this Act under the
3 heading “Foreign Military Financing Program” or “Inter-
4 national Narcotics Control and Law Enforcement” for
5 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 Act for assist-
16 ance for Lebanon under the headings “Foreign Military
17 Financing Program” and “Nonproliferation, Anti-Ter-
18 rorism, Demining and Related Programs”, the Secretary
19 of State shall certify to the Committees on Appropriations
20 that all practicable efforts have been made to ensure that
21 such assistance is not provided to or through any indi-
22 vidual, or private or government entity, that advocates,
23 plans, sponsors, engages in, or has engaged in, terrorist
24 activity.

1 (d) REPORT REQUIRED.—Not later than 45 days
2 after the date of the enactment of this Act, the Secretary
3 of State shall submit to the Committees on Appropriations
4 a report on the Government of Lebanon’s actions to imple-
5 ment section 14 of United Nations Security Council Reso-
6 lution 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 Act and prior Acts
8 making appropriations for foreign operations, export fi-
9 nancing 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 Act for the
26 following accounts shall be made available for programs

1 and countries in the amounts contained in the respective
2 tables included in the joint explanatory statement accom-
3 panying the conference report on H.R. 1591 of the 110th
4 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 Act the Secretary of State shall submit to the Com-
19 mittees on Appropriations a report detailing planned ex-
20 penditures for funds appropriated under the headings in
21 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 Act
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 Act, 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 Act in order to ensure Iraq continues
4 to be eligible to receive United States assistance de-
5 scribed 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 **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 Act.

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 completed and furnished to the Congress not later than
2 three months after enactment of this Act.

3 SEC. 3304. Using funds made available in Chapter
4 3 under title II of Public Law 109–234, under the heading
5 “Investigations”, the Secretary of the Army, in consulta-
6 tion with other agencies and the State of Louisiana shall
7 accelerate completion as practicable the final report of the
8 Chief of Engineers recommending a comprehensive plan
9 to deauthorize deep draft navigation on the Mississippi
10 River Gulf Outlet: *Provided*, That the plan shall incor-
11 porate and build upon the Interim Mississippi River Gulf
12 Outlet Deep-Draft De-Authorization Report submitted to
13 Congress in December 2006 pursuant to Public Law 109–
14 234.

15 CHAPTER 4

16 SMALL BUSINESS ADMINISTRATION

17 DISASTER LOANS PROGRAM ACCOUNT

18 (INCLUDING TRANSFER OF FUNDS)

19 Of the unobligated balances under the heading
20 “Small Business Administration, Disaster Loans Program
21 Account”, \$25,069,000, to remain available until ex-
22 pended, shall be used for administrative expenses to carry
23 out the disaster loan program, which may be transferred
24 to and merged with “Small Business Administration, Sal-
25 aries and Expenses”.

1 Of the unobligated balances under the heading
 2 “Small Business Administration, Disaster Loans Program
 3 Account”, \$25,000,000 shall be used for loans under sec-
 4 tion 7(b)(2) of the Small Business Act for businesses lo-
 5 cated in an area for which the President declared a major
 6 disaster because of the hurricanes in the Gulf of Mexico
 7 in calendar year 2005, of which not to exceed \$8,750,000
 8 is for direct administrative expenses and may be trans-
 9 ferred to and merged with “Small Business Administra-
 10 tion, Salaries and Expenses” to carry out the disaster loan
 11 program of the Small Business Administration.

12 **CHAPTER 5**

13 DEPARTMENT OF HOMELAND SECURITY

14 FEDERAL EMERGENCY MANAGEMENT AGENCY

15 DISASTER RELIEF

16 (INCLUDING TRANSFER OF FUNDS)

17 For an additional amount for “Disaster Relief”,
 18 \$4,610,000,000, to remain available until expended: *Pro-*
 19 *vided*, That \$4,000,000 shall be transferred to “Office of
 20 Inspector General”.

21 GENERAL PROVISIONS—THIS CHAPTER

22 SEC. 3501. (a) IN GENERAL.—Notwithstanding any
 23 other provision of law, including any agreement, the Fed-
 24 eral share of assistance, including direct Federal assist-
 25 ance, provided for the States of Louisiana, Mississippi,
 26 Florida, Alabama, and Texas in connection with Hurri-

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 Act.

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 Act 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 Act, and in collaboration with local
15 educational agencies, teachers' unions, local principals' or-
16 ganizations, local parents' organizations, local business or-
17 ganizations, and local charter schools organizations, the
18 State educational agency shall develop a plan for a rating
19 system for performance bonuses, and if no agreement has
20 been reached that is satisfactory to all consulting entities
21 by such deadline, the State educational agency shall imme-
22 diately send a letter notifying Congress and shall, not later
23 than 30 days after such notification, establish and imple-
24 ment a rating system that shall be based on classroom
25 observation and feedback more than once annually, con-

1 ducted by multiple sources (including, but not limited to,
2 principals and master teachers), and evaluated against re-
3 search-based rubrics that use planning, instructional, and
4 learning environment standards to measure teacher per-
5 formance, except that the requirements of this proviso
6 shall not apply to a State that has enacted a State law
7 in 2006 authorizing performance pay for teachers.

8 PROGRAMS TO RESTART SCHOOL OPERATIONS

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

1 lie elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (3) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and school-based school principals, assistant principals, principal resident directors, and assistant directors; and (4) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools.

12 GENERAL PROVISIONS—THIS CHAPTER

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

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

1 SEC. 3703. (a) In the event that Louisiana, Mis-
2 sissippi, Alabama, or Texas fails to meet its match re-
3 quirement with funds appropriated in fiscal years 2006
4 or 2007, for fiscal years 2008 and 2009, the Secretary
5 of Health and Human Services may waive the application
6 of section 2617(d)(4) of the Public Health Service Act for
7 Louisiana, Mississippi, Alabama, and Texas.

8 (b) The Secretary may not exercise the waiver au-
9 thority available under subsection (a) to allow a grantee
10 to provide less than a 25 percent matching grant.

11 (c) For grant years beginning in 2008, Louisiana,
12 Mississippi, Alabama, and Texas and any eligible metro-
13 politan area in Louisiana, Mississippi, Alabama, and
14 Texas shall comply with each of the applicable require-
15 ments under title XXVI of the Public Health Service Act
16 (42 U.S.C. 300ff-11 et seq.).

17 **CHAPTER 8**

18 DEPARTMENT OF TRANSPORTATION

19 FEDERAL HIGHWAY ADMINISTRATION

20 FEDERAL-AID HIGHWAYS

21 EMERGENCY RELIEF PROGRAM

22 (INCLUDING RESCISSION OF FUNDS)

23 For an additional amount for the Emergency Relief
24 Program as authorized under section 125 of title 23,
25 United States Code, \$682,942,000, to remain available
26 until expended: *Provided*, That section 125(d)(1) of title

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–1962–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 1962–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 Act.

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 Act the Secretary shall submit to the
3 Committees on Appropriations of both Houses of Congress
4 an expenditure plan, by project, for non-recurring mainte-
5 nance prior to obligation: *Provided further*, That semi-an-
6 nually, on October 1 and April 1, the Secretary shall sub-
7 mit to the Committees on Appropriations of both Houses
8 of Congress a report on the status of funding for non-
9 recurring maintenance, including obligations and unobli-
10 gated balances for each project identified in the expendi-
11 ture 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 Act, the Secretary of the Treasury,
7 in coordination with the Securities and Exchange Commis-
8 sion and in consultation with the Departments of State
9 and Energy, shall prepare and submit to the Senate Com-
10 mittee on Appropriations, the House Committee on Appro-
11 priations, the Senate Committee on Banking, Housing,
12 and Urban Affairs, the House Committee on Financial
13 Services, the Senate Foreign Relations Committee, and
14 the House Foreign Affairs Committee a written report,
15 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 Act, 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 Act.

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 Act
20 or any other Act may be used to alter or reduce operations
21 within the Civil Engineering Program of the Coast Guard
22 nationwide, including the civil engineering units, facilities,
23 design and construction centers, maintenance and logistics
24 command centers, the Coast Guard Academy and the
25 Coast Guard Research and Development Center, except as

1 specifically authorized by a statute enacted after the date
2 of enactment of this Act.

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

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

15

SEC. 5502. Section 20512 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 inserting after the first dollar amount: “, of which not to
19 exceed \$7,300,000 shall be transferred to the ‘Indian
20 Health Facilities’ account; the amount in the second pro-
21 viso shall be \$18,000,000; the amount in the third proviso
22 shall be \$525,099,000; the amount in the ninth proviso
23 shall be \$269,730,000; and the \$15,000,000 allocation of
24 funding under the eleventh proviso shall not be required”.

1 SEC. 5503. Section 20501 of the Continuing Appro-
 2 priations Resolution, 2007 (division B of Public Law 109–
 3 289, as amended by Public Law 110–5) is amended by
 4 inserting after “\$55,663,000” the following: “of which
 5 \$13,000,000 shall be for Save America’s Treasures”.

6 SEC. 5504. Funds made available to the United
 7 States Fish and Wildlife Service for fiscal year 2007 under
 8 the heading “Land Acquisition” may be used for land con-
 9 servation partnerships authorized by the Highlands Con-
 10 servation Act of 2004.

11 **CHAPTER 6**

12 DEPARTMENT OF HEALTH AND HUMAN

13 SERVICES

14 NATIONAL INSTITUTES OF HEALTH

15 NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS

16 DISEASES

17 (TRANSFER OF FUNDS)

18 Of the amount provided by the Continuing Appro-
 19 priations Resolution, 2007 (division B of Public Law 109–
 20 289, as amended by Public Law 110–5) for “National In-
 21 stitute of Allergy and Infectious Diseases”, \$49,500,000
 22 shall be transferred to “Public Health and Social Services
 23 Emergency Fund” to carry out activities relating to ad-
 24 vanced research and development as provided by section
 25 319L of the Public Health Service Act.

OFFICE OF THE DIRECTOR

(TRANSFER OF FUNDS)

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

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

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

GENERAL PROVISIONS—THIS CHAPTER

(INCLUDING TRANSFERS OF FUNDS AND RESCISSION)

16 SEC. 5601. Section 20602 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 the following after “\$5,000,000”: “(together
20 with an additional \$7,000,000 which shall be transferred
21 by the Pension Benefit Guaranty Corporation as an au-
22

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 Act.

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 Act.

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.

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 ACT****AVAILABILITY OF FUNDS**

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

DESIGNATION FOR TITLES I AND II

4 SEC. 5952. Amounts in titles I and II are designated
5 as emergency requirements pursuant to section 402 of H.
6 Con. Res. 95 (109th Congress), and as making appropria-
7 tions for contingency operations directly related to the
8 global war on terrorism and other unanticipated defense-
9 related operations pursuant to section 402 of H. Con. Res.
10 376 (109th Congress) as made applicable to the House
11 of Representatives by section 511(a)(4) of H. Res. 6
12 (110th Congress).

EMERGENCY DESIGNATION FOR OTHER TITLES

13 SEC. 5953. Amounts in titles III, IV, and VI are des-
14 ignated as emergency requirements pursuant to section
15 402 of H. Con. Res. 95 (109th Congress), and pursuant
16 to section 501 of H. Con. Res. 376 (109th Congress) as
17 made applicable to the House of Representatives by sec-
18 tion 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 Act, take any action (through
7 promulgation of regulation, issuance of regulatory
8 guidance, or other administrative action) to—

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

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

22 (C) promulgate or implement any rule or
23 provisions restricting payments for graduate
24 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 Act with respect to the Med-
9 icaid program or the State Children’s Health Insur-
10 ance Program, or to promulgate or implement a new
11 rule or provision during such period with respect to
12 such programs, other than a rule or provision de-
13 scribed in paragraph (1) and subject to the prohibi-
14 tion 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 Act.

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 Act; and

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

24 (2) the minimum wage applicable to American
25 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 Act;

7 (B) increased by \$0.50 an hour, beginning
8 on the 60th day after the date of enactment of
9 this Act; 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 Act and each year thereafter until
15 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 Act.

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 Act, the Sec-
7 retary of Labor shall, through the Bureau of Labor Statis-
8 tics, conduct a study to—

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

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

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

16 (b) **REPORT.**—Not later than the date that is 32
17 months after the date of enactment of this Act, the Sec-
18 retary of Labor shall transmit to Congress a report on
19 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 Act.

18 **SEC. 7212. EXTENSION AND INCREASE OF EXPENSING FOR**

19 **SMALL BUSINESS.**

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

24 (b) INCREASE IN LIMITATIONS.—Subsection (b) of
25 section 179 is amended—

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

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

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

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

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

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

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

19 **SEC. 7213. DETERMINATION OF CREDIT FOR CERTAIN**
20 **TAXES PAID WITH RESPECT TO EMPLOYEE**
21 **CASH TIPS.**

22 (a) IN GENERAL.—Subparagraph (B) of section
23 45B(b)(1) is amended by inserting “as in effect on Janu-
24 ary 1, 2007, and” before “determined without regard to”.

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

4 **SEC. 7214. WAIVER OF INDIVIDUAL AND CORPORATE AL-**
5 **TERNATIVE MINIMUM TAX LIMITS ON WORK**
6 **OPPORTUNITY CREDIT AND CREDIT FOR**
7 **TAXES PAID WITH RESPECT TO EMPLOYEE**
8 **CASH TIPS.**

9 (a) ALLOWANCE AGAINST ALTERNATIVE MINIMUM
10 TAX.—Subparagraph (B) of section 38(c)(4) is amended
11 by striking “and” at the end of clause (i), by inserting
12 a comma at the end of clause (ii), and by adding at the
13 end the following new clauses:

14 “(iii) the credit determined under sec-
15 tion 45B, and

16 “(iv) the credit determined under sec-
17 tion 51.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to credits determined under sec-
20 tions 45B and 51 of the Internal Revenue Code of 1986
21 in taxable years beginning after December 31, 2006, and
22 to carrybacks of such credits.

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

24 (a) IN GENERAL.—Section 761 (defining terms for
25 purposes of partnerships) is amended by redesignating

1 subsection (f) as subsection (g) and by inserting after sub-
2 section (e) the following new subsection:

3 “(f) QUALIFIED JOINT VENTURE.—

4 “(1) IN GENERAL.—In the case of a qualified
5 joint venture conducted by a husband and wife who
6 file a joint return for the taxable year, for purposes
7 of this title—

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

10 “(B) all items of income, gain, loss, deduc-
11 tion, and credit shall be divided between the
12 spouses in accordance with their respective in-
13 terests in the venture, and

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

18 “(2) QUALIFIED JOINT VENTURE.—For pur-
19 poses of paragraph (1), the term ‘qualified joint ven-
20 ture’ means any joint venture involving the conduct
21 of a trade or business if—

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

24 “(B) both spouses materially participate
25 (within the meaning of section 469(h) without

1 regard to paragraph (5) thereof) in such trade
2 or business, and

3 “(C) both spouses elect the application of
4 this subsection.”.

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

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

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

19 (2) Subsection (a) of section 211 of the Social
20 Security Act (defining net earnings from self-em-
21 ployment) is amended by striking “and” at the end
22 of paragraph (14), by striking the period at the end
23 of paragraph (15) and inserting “; and”, and by in-
24 serting after paragraph (15) the following new para-
25 graph:

1 “(16) Notwithstanding the preceding provisions
 2 of this subsection, each spouse’s share of income or
 3 loss from a qualified joint venture shall be taken
 4 into account as provided in section 761(f) of the In-
 5 ternal Revenue Code of 1986 in determining net
 6 earnings from self-employment of such spouse.”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to taxable years beginning after
 9 December 31, 2006.

10 **Subpart B—Gulf Opportunity Zone Tax Incentives**

11 **SEC. 7221. EXTENSION OF INCREASED EXPENSING FOR**
 12 **QUALIFIED SECTION 179 GULF OPPORTUNITY**
 13 **ZONE PROPERTY.**

14 Paragraph (2) of section 1400N(e) (relating to quali-
 15 fied section 179 Gulf Opportunity Zone property) is
 16 amended—

17 (1) by striking “this subsection, the term” and
 18 inserting

19 “this subsection—

20 “(A) IN GENERAL.—The term”, and

21 (2) by adding at the end the following new sub-
 22 paragraph:

23 “(B) EXTENSION FOR CERTAIN PROP-
 24 PERTY.—In the case of property substantially all
 25 of the use of which is in one or more specified

1 portions of the GO Zone (as defined by sub-
2 section (d)(6)), such term shall include section
3 179 property (as so defined) which is described
4 in subsection (d)(2), determined—

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

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

9 **SEC. 7222. EXTENSION AND EXPANSION OF LOW-INCOME**
10 **HOUSING CREDIT RULES FOR BUILDINGS IN**
11 **THE GO ZONES.**

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

17 “(5) TIME FOR MAKING LOW-INCOME HOUSING
18 CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall
19 not apply to an allocation of housing credit dollar
20 amount to a building located in the Gulf Oppor-
21 tunity Zone, the Rita GO Zone, or the Wilma GO
22 Zone, if such allocation is made in 2006, 2007, or
23 2008, and such building is placed in service before
24 January 1, 2011.”.

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

3 (1) IN GENERAL.—Subparagraph (A) of section
4 1400N(c)(3) is amended by striking “2006, 2007, or
5 2008” and inserting “the period beginning on Janu-
6 ary 1, 2006, and ending on December 31, 2010”.

7 (2) CONFORMING AMENDMENT.—Clause (ii) of
8 section 1400N(c)(3)(B) is amended by striking
9 “such period” and inserting “the period described in
10 subparagraph (A)”.

11 (c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT
12 TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS
13 ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section
14 1400N (relating to low-income housing credit), as amend-
15 ed by this Act, is amended by redesignating paragraph (6)
16 as paragraph (7) and by inserting after paragraph (5) the
17 following new paragraph:

18 “(6) COMMUNITY DEVELOPMENT BLOCK
19 GRANTS NOT TAKEN INTO ACCOUNT IN DETER-
20 MINING IF BUILDINGS ARE FEDERALLY SUB-
21 SIDIZED.—For purpose of applying section
22 42(i)(2)(D) to any building which is placed in serv-
23 ice in the Gulf Opportunity Zone, the Rita GO Zone,
24 or the Wilma GO Zone during the period beginning
25 on January 1, 2006, and ending on December 31,

1 2010, a loan shall not be treated as a below market
2 Federal loan solely by reason of any assistance pro-
3 vided under section 106, 107, or 108 of the Housing
4 and Community Development Act of 1974 by reason
5 of section 122 of such Act or any provision of the
6 Department of Defense Appropriations Act, 2006, or
7 the Emergency Supplemental Appropriations Act for
8 Defense, the Global War on Terror, and Hurricane
9 Recovery, 2006.”.

10 **SEC. 7223. SPECIAL TAX-EXEMPT BOND FINANCING RULE**
11 **FOR REPAIRS AND RECONSTRUCTIONS OF**
12 **RESIDENCES IN THE GO ZONES.**

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

16 “(7) SPECIAL RULE FOR REPAIRS AND RECON-
17 STRUCTIONS.—

18 “(A) IN GENERAL.—For purposes of sec-
19 tion 143 and this subsection, any qualified GO
20 Zone repair or reconstruction shall be treated
21 as a qualified rehabilitation.

22 “(B) QUALIFIED GO ZONE REPAIR OR RE-
23 CONSTRUCTION.—For purposes of subpara-
24 graph (A), the term ‘qualified GO Zone repair
25 or reconstruction’ means any repair of damage

1 caused by Hurricane Katrina, Hurricane Rita,
2 or Hurricane Wilma to a building located in the
3 Gulf Opportunity Zone, the Rita GO Zone, or
4 the Wilma GO Zone (or reconstruction of such
5 building in the case of damage constituting de-
6 struction) if the expenditures for such repair or
7 reconstruction are 25 percent or more of the
8 mortgagor's adjusted basis in the residence.
9 For purposes of the preceding sentence, the
10 mortgagor's adjusted basis shall be determined
11 as of the completion of the repair or reconstruc-
12 tion or, if later, the date on which the mort-
13 gator acquires the residence.

14 “(C) TERMINATION.—This paragraph shall
15 apply only to owner-financing provided after the
16 date of the enactment of this paragraph and be-
17 fore January 1, 2011.”.

18 **SEC. 7224. GAO STUDY OF PRACTICES EMPLOYED BY STATE**
19 **AND LOCAL GOVERNMENTS IN ALLOCATING**
20 **AND UTILIZING TAX INCENTIVES PROVIDED**
21 **PURSUANT TO THE GULF OPPORTUNITY**
22 **ZONE ACT OF 2005.**

23 (a) IN GENERAL.—The Comptroller General of the
24 United States shall conduct a study of the practices em-
25 ployed by State and local governments, and subdivisions

1 thereof, in allocating and utilizing tax incentives provided
2 pursuant to the Gulf Opportunity Zone Act of 2005 and
3 this Act.

4 (b) SUBMISSION OF REPORT.—Not later than one
5 year after the date of the enactment of this Act, the Comp-
6 troller General shall submit a report on the findings of
7 the study conducted under subsection (a) and shall include
8 therein recommendations (if any) relating to such find-
9 ings. The report shall be submitted to the Committee on
10 Ways and Means of the House of Representatives and the
11 Committee on Finance of the Senate.

12 (c) CONGRESSIONAL HEARINGS.—In the case that
13 the report submitted under this section includes findings
14 of significant fraud, waste or abuse, each Committee spec-
15 ified in subsection (b) shall, within 60 days after the date
16 the report is submitted under subsection (b), hold a public
17 hearing to review such findings.

18 **Subpart C—Subchapter S Provisions**

19 **SEC. 7231. CAPITAL GAIN OF S CORPORATION NOT TREAT-**
20 **ED AS PASSIVE INVESTMENT INCOME.**

21 (a) IN GENERAL.—Section 1362(d)(3) is amended by
22 striking subparagraphs (B), (C), (D), (E), and (F) and
23 inserting the following new subparagraphs:

1 “(B) GROSS RECEIPTS FROM THE SALES
2 OF CERTAIN ASSETS.—For purposes of this
3 paragraph—

4 “(i) in the case of dispositions of cap-
5 ital assets (other than stock and securi-
6 ties), gross receipts from such dispositions
7 shall be taken into account only to the ex-
8 tent of the capital gain net income there-
9 from, and

10 “(ii) in the case of sales or exchanges
11 of stock or securities, gross receipts shall
12 be taken into account only to the extent of
13 the gains therefrom.

14 “(C) PASSIVE INVESTMENT INCOME DE-
15 FINED.—

16 “(i) IN GENERAL.—Except as other-
17 wise provided in this subparagraph, the
18 term ‘passive investment income’ means
19 gross receipts derived from royalties, rents,
20 dividends, interest, and annuities.

21 “(ii) EXCEPTION FOR INTEREST ON
22 NOTES FROM SALES OF INVENTORY.—The
23 term ‘passive investment income’ shall not
24 include interest on any obligation acquired
25 in the ordinary course of the corporation’s

1 trade or business from its sale of property
2 described in section 1221(a)(1).

3 “(iii) TREATMENT OF CERTAIN LEND-
4 ING OR FINANCE COMPANIES.—If the S
5 corporation meets the requirements of sec-
6 tion 542(c)(6) for the taxable year, the
7 term ‘passive investment income’ shall not
8 include gross receipts for the taxable year
9 which are derived directly from the active
10 and regular conduct of a lending or finance
11 business (as defined in section 542(d)(1)).

12 “(iv) TREATMENT OF CERTAIN DIVI-
13 DENDS.—If an S corporation holds stock
14 in a C corporation meeting the require-
15 ments of section 1504(a)(2), the term ‘pas-
16 sive investment income’ shall not include
17 dividends from such C corporation to the
18 extent such dividends are attributable to
19 the earnings and profits of such C corpora-
20 tion derived from the active conduct of a
21 trade or business.

22 “(v) EXCEPTION FOR BANKS, ETC.—
23 In the case of a bank (as defined in section
24 581) or a depository institution holding
25 company (as defined in section 3(w)(1) of

1 the Federal Deposit Insurance Act (12
2 U.S.C. 1813(w)(1)), the term ‘passive in-
3 vestment income’ shall not include—

4 “(I) interest income earned by
5 such bank or company, or

6 “(II) dividends on assets required
7 to be held by such bank or company,
8 including stock in the Federal Reserve
9 Bank, the Federal Home Loan Bank,
10 or the Federal Agricultural Mortgage
11 Bank or participation certificates
12 issued by a Federal Intermediate
13 Credit Bank.”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to taxable years beginning after
16 the date of the enactment of this Act.

17 **SEC. 7232. TREATMENT OF BANK DIRECTOR SHARES.**

18 (a) **IN GENERAL.**—Section 1361 (defining S corpora-
19 tion) is amended by adding at the end the following new
20 subsection:

21 “(f) **RESTRICTED BANK DIRECTOR STOCK.**—

22 “(1) **IN GENERAL.**—Restricted bank director
23 stock shall not be taken into account as outstanding
24 stock of the S corporation in applying this sub-
25 chapter (other than section 1368(f)).

1 “(2) RESTRICTED BANK DIRECTOR STOCK.—
2 For purposes of this subsection, the term ‘restricted
3 bank director stock’ means stock in a bank (as de-
4 fined in section 581) or a depository institution
5 holding company (as defined in section 3(w)(1) of
6 the Federal Deposit Insurance Act (12 U.S.C.
7 1813(w)(1)), if such stock—

8 “(A) is required to be held by an individual
9 under applicable Federal or State law in order
10 to permit such individual to serve as a director,
11 and

12 “(B) is subject to an agreement with such
13 bank or company (or a corporation which con-
14 trols (within the meaning of section 368(e))
15 such bank or company) pursuant to which the
16 holder is required to sell back such stock (at
17 the same price as the individual acquired such
18 stock) upon ceasing to hold the office of direc-
19 tor.

20 “(3) CROSS REFERENCE.—

 “For treatment of certain distributions with respect to restricted bank director
 stock, see section 1368(f).”.

21 (b) DISTRIBUTIONS.—Section 1368 (relating to dis-
22 tributions) is amended by adding at the end the following
23 new subsection:

1 “(f) RESTRICTED BANK DIRECTOR STOCK.—If a di-
2 rector receives a distribution (not in part or full payment
3 in exchange for stock) from an S corporation with respect
4 to any restricted bank director stock (as defined in section
5 1361(f)), the amount of such distribution—

6 “(1) shall be includible in gross income of the
7 director, and

8 “(2) shall be deductible by the corporation for
9 the taxable year of such corporation in which or with
10 which ends the taxable year in which such amount
11 in included in the gross income of the director.”.

12 (c) EFFECTIVE DATES.—

13 (1) IN GENERAL.—The amendments made by
14 this section shall apply to taxable years beginning
15 after December 31, 2006.

16 (2) SPECIAL RULE FOR TREATMENT AS SECOND
17 CLASS OF STOCK.—In the case of any taxable year
18 beginning after December 31, 1996, restricted bank
19 director stock (as defined in section 1361(f) of the
20 Internal Revenue Code of 1986, as added by this
21 section) shall not be taken into account in deter-
22 mining whether an S corporation has more than 1
23 class of stock.

1 **SEC. 7233. SPECIAL RULE FOR BANK REQUIRED TO**
2 **CHANGE FROM THE RESERVE METHOD OF**
3 **ACCOUNTING ON BECOMING S CORPORA-**
4 **TION.**

5 (a) IN GENERAL.—Section 1361, as amended by this
6 Act, is amended by adding at the end the following new
7 subsection:

8 “(g) SPECIAL RULE FOR BANK REQUIRED TO
9 CHANGE FROM THE RESERVE METHOD OF ACCOUNTING
10 ON BECOMING S CORPORATION.—In the case of a bank
11 which changes from the reserve method of accounting for
12 bad debts described in section 585 or 593 for its first tax-
13 able year for which an election under section 1362(a) is
14 in effect, the bank may elect to take into account any ad-
15 justments under section 481 by reason of such change for
16 the taxable year immediately preceding such first taxable
17 year.”.

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

21 **SEC. 7234. TREATMENT OF THE SALE OF INTEREST IN A**
22 **QUALIFIED SUBCHAPTER S SUBSIDIARY.**

23 (a) IN GENERAL.—Subparagraph (C) of section
24 1361(b)(3) (relating to treatment of terminations of quali-
25 fied subchapter S subsidiary status) is amended—

1 (1) by striking “For purposes of this title,” and
2 inserting the following:

3 “(i) IN GENERAL.—For purposes of
4 this title,” and

5 (2) by inserting at the end the following new
6 clause:

7 “(ii) TERMINATION BY REASON OF
8 SALE OF STOCK.—If the failure to meet
9 the requirements of subparagraph (B) is
10 by reason of the sale of stock of a corpora-
11 tion which is a qualified subchapter S sub-
12 sidiary, the sale of such stock shall be
13 treated as if—

14 “(I) the sale were a sale of an
15 undivided interest in the assets of
16 such corporation (based on the per-
17 centage of the corporation’s stock
18 sold), and

19 “(II) the sale were followed by an
20 acquisition by such corporation of all
21 of its assets (and the assumption by
22 such corporation of all of its liabil-
23 ities) in a transaction to which section
24 351 applies.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2006 .

4 **SEC. 7235. ELIMINATION OF ALL EARNINGS AND PROFITS**
5 **ATTRIBUTABLE TO PRE-1983 YEARS FOR CER-**
6 **TAIN CORPORATIONS.**

7 In the case of a corporation which is—

8 (1) described in section 1311(a)(1) of the Small
9 Business Job Protection Act of 1996, and

10 (2) not described in section 1311(a)(2) of such
11 Act,

12 the amount of such corporation's accumulated earnings
13 and profits (for the first taxable year beginning after the
14 date of the enactment of this Act) shall be reduced by an
15 amount equal to the portion (if any) of such accumulated
16 earnings and profits which were accumulated in any tax-
17 able year beginning before January 1, 1983, for which
18 such corporation was an electing small business corpora-
19 tion under subchapter S of the Internal Revenue Code of
20 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 mined without regard to subparagraph (B)
2 thereof), and

3 “(II) whose earned income (as defined
4 in section 911(d)(2)) for such taxable year
5 does not exceed one-half of the amount of
6 the individual’s support (within the mean-
7 ing of section 152(e)(1)(D) after the appli-
8 cation of section 152(f)(5) (without regard
9 to subparagraph (A) thereof)) for such
10 taxable year.”.

11 (b) CONFORMING AMENDMENT.—Subsection (g) of
12 section 1 is amended by striking “MINOR” in the heading
13 thereof.

14 (c) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 the date of the enactment of this Act.

17 **SEC. 7242. SUSPENSION OF CERTAIN PENALTIES AND IN-**
18 **TEREST.**

19 (a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of
20 section 6404(g) are each amended by striking “18-month
21 period” and inserting “36-month period”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to notices provided by the Sec-
24 retary of the Treasury, or his delegate, after the date

1 which is 6 months after the date of the enactment of this
2 Act.

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 Act.

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 Act.

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 “(2) WILLFUL OR RECKLESS CONDUCT.—Con-
2 duct described in this paragraph is conduct by the
3 tax return preparer which is—

4 “(A) a willful attempt in any manner to
5 understate the liability for tax on the return or
6 claim, or

7 “(B) a reckless or intentional disregard of
8 rules or regulations.

9 “(3) REDUCTION IN PENALTY.—The amount of
10 any penalty payable by any person by reason of this
11 subsection for any return or claim for refund shall
12 be reduced by the amount of the penalty paid by
13 such person by reason of subsection (a).”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to returns prepared after the date
16 of the enactment of this Act.

17 **SEC. 7247. PENALTY FOR FILING ERRONEOUS REFUND**
18 **CLAIMS.**

19 (a) IN GENERAL.—Part I of subchapter B of chapter
20 68 (relating to assessable penalties) is amended by insert-
21 ing after section 6675 the following new section:

22 **“SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.**

23 “(a) CIVIL PENALTY.—If a claim for refund or credit
24 with respect to income tax (other than a claim for a refund
25 or credit relating to the earned income credit under section

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 Act.

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”.

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