

and expressly required by mandatory obligations in international agreements" was replaced with the phrase "required by international agreements." We expect the requirements of such agreements to be narrowly construed and thus the additional language is not necessary. We intend that immunities in connection with such organizations activities in connection their capacity as providers, directly or indirectly, of commercial communication services, will be eliminated. Thus, for example they would not be immune from bribery of foreign officials to further their business activities, violations of antitrust laws or any other laws, subject to the qualifications in this subsection. Second, subparagraphs 5(d)(1) and 5(d)(2) of H.R. 4353 were combined into one subparagraph. All of the actions required of the Administration under 5(d)(1) (dealing with immunities for suit or legal process in connection with such organizations' capacity as a provider, directly or indirectly, of commercial telecommunications services) in H.R. 4353 were also covered also by 5(d)(2) in H.R. 4353 (which sought elimination or substantial reduction of all immunities not eliminated pursuant to subparagraph 5(d)(1)). These subsections were combined into a single 5(d)(1) which applies to all privileges and immunities. The managers intend that the President will vigorously and expeditiously pursue the elimination or substantial reduction of such privileges and immunities. The reference to the Federal Communications Commission was eliminated from this subsection because the Commission already has the authority under the Communications Act of 1934, as amended, and the Communications Satellite Act of 1962, as amended, to condition entry into the U.S. market on waiver of privileges or immunities. Such waivers should be required where the Commission determines that such immunities result in inappropriate or undesirable advantages in the U.S. market, or where doing so would otherwise facilitate the attainment of the policies and objectives in this legislation, the Communications Satellite Act of 1962 or the Telecommunications Act of 1934 or would otherwise serve the public interest. This includes but is not limited to conditioning entry by COMSAT and other Signatories into the U.S. domestic market on waiver of immunities. Conditioning such entry is consistent with existing Commission policy which has been implemented a number of times in the past as described in the background section of the report on H.R. 4353. The Commission also has the authority under the Communications Act of 1934 and the Communications Satellite Act of 1962 to condition entry to the U.S. market with respect to services of the organizations described in subparagraph 5(a)(1) (or their successors) in order to obtain the policy set by subparagraph 5(a)(2). Subparagraph 5(d)(2) permits the President to designate which agreements constitute international agreements for the purposes of this section. This is included for the purpose of allowing the President flexibility as to whether the INTELSAT Headquarters Agreement is an international agreement for the purposes of this section. Subparagraph 5(d)(2) was included because some raised a concern whether this agreement was an "international" agreement since it was an agreement between one nation and an international organization. We do not address this particular question but rather leave it to the President to determine and intend that

his authority to make the determination as to whether the Headquarters Agreement constitutes an international agreement for the purposes of this section be ongoing. This subparagraph is not intended to cover any additional agreements which may be adopted subsequent to the enactment of this legislation.

This legislation we are considering today is particularly important because privileges and immunities are a competitive advantage of the intergovernmental satellite organizations which harms competition in the United States communications market.

Another important aspect of the legislation is that it also says that the Foreign Corrupt Practices Act (FCPA) will continue to apply to intergovernmental satellite organizations until they achieve a pro-competitive privatization. The legislation sets such pro-competitive privatization as U.S. government policy and says that in order for a privatization to be pro-competitive it must be consistent with "the United States policy of obtaining full and open competition to such organizations (or their successors), and non-discriminatory market access, in the provision of satellite service." See section 5(a)(2). Bribery of such organizations is subject to the FCPA until the President makes a certification pursuant to section 5(b)(1), that a pro-competitive privatization has been achieved. For the purposes of section 5(b)(1) the President is to make a determination under subparagraph 5(a)(2) as to whether such privatization is consistent with the policy described in that subparagraph.

Overall, this legislation is designed to reduce to the minimum possible level the privileges and immunities of the intergovernmental satellite organizations. To the extent such immunities can be eliminated without abrogating international agreements the legislation does so subject to the May 1, 1999 effective date. To the extent such immunities are not thus eliminated, the managers intend the United States to seek their elimination as quickly as possible using all appropriate measures necessary to do so.

I would like to thank Chairman OXLEY for cosponsoring this legislation, and for helping to move it through the Committee process by a voice vote. He has been a leader on international issues and this is one more example of his talents. I am also pleased to have the input of the Ranking Minority Member, Mr. DINGELL. His help made a good bill even better. I would like to thank as well the Ranking Minority Member on the subcommittee, Mr. MANTON for his co-sponsorship fine service to our Committee. I also wish to thank Mr. MARKEY, who was the first cosponsor joining Chairman OXLEY and I in moving this bill forward. He and I have worked closely on this issue and I greatly appreciate his advocacy and assistance. Finally, I would also like to thank Senator BURNS for his cooperation in reaching a final deal and Secretary Daley and his staff and other hardworking Administration officials for helping us move this important legislation forward.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Further reserving the right to object, Mr. Speaker, I support the position of the gentleman from Virginia (Mr. BLILEY).

Mr. Speaker, I want to make one thing clear: I firmly believe that it is in the vital inter-

ests of American workers and American business that this Congress pass legislation this year implementing the OECD anti-bribery convention.

I understand the proposal before us includes an extraneous matter involving satellites which represents a compromise with the Administration, Comsat, and at least one Senator. My concern is that this is all happening in the very last minutes of this Congress, and may jeopardize passage of this legislation. I have not heard any definitive commitment from the Leadership of the other body that it intends to consider this matter.

Let me explain the legislative situation we face. There has never been any controversy over the provisions in this bill implementing the OECD anti-bribery convention. The only issue in controversy has been the extraneous satellite provisions.

The Senate has now passed legislation ratifying and implementing the anti-bribery convention on two different occasions, and, both times they have passed it without the satellite provisions that my good friend Chairman BLILEY has put in the House bill. The most certain way to ensure enactment of the anti-bribery legislation would be for my Republican Colleagues to concur with the Senate amendment and send that bill to the President.

Mr. Speaker, I certainly hope that action on this matter can be completed, because if it's not, American workers and American firms that must compete in international markets where bribery is prevalent, will pay the price.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 2375, the Senate bill just considered.

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

There was no objection.

GOVERNMENT WASTE, FRAUD, AND ERROR REDUCTION ACT OF 1998

Mr. DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight and the Committee on the Judiciary be discharged from further consideration of the bill (H.R. 4857) to reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

Mr. WAXMAN. Mr. Speaker, reserving the right to object, and I will not object, but I wanted to take this time to commend my colleagues, the gentleman from Virginia (Mr. Davis) and the gentleman from California (Mr. Horn) for the work in crafting a bipartisan bill. I applaud their devotion to ensuring that Federal debts are fully paid. This bill is a revised version of H.R. 4243, and we will support this bill and urge our colleagues to do so.

I want to commend my colleague, the gentleman from California (Mr. HORN), chairman of the Subcommittee on Government Management for his recent efforts to craft a bipartisan bill. I applaud his devotion to ensuring that Federal debts are fully paid.

This bill, H.R. 4857, is a revised version of H.R. 4243. Chairman HORN has been receptive to comments and suggestions raised by the Administration and our colleagues in the other body. In light of their recommendations, he has revised the bill and improved it in a variety of ways. I support this bill and urge my colleagues to do so also.

H.R. 4857 is intended to increase collections on delinquent nontax debt owed to the federal government; improve federal payment systems and travel management; and decrease high value nontax debt totaling over \$1 million. This legislation will provide the federal government with new tools to collect nontax debt over \$1 million. The bill would strengthen the federal government's ability to recover substantial amounts of taxpayer money. It also enhances the ability of the Department of Justice to pursue civil actions seeking monetary damages, fines, or penalties.

More specifically, this legislation will provide additional tools for the government to improve government operations:

First, the bill contains general management improvements. It will ensure that Congress continues to receive agency audited financial statements and repeals obsolete provisions of the law. The bill will improve travel management by requiring agencies to use, to the maximum extent possible, travel management centers and electronic reservation and payment systems in order to improve efficiency and economy. It will also insure that federal employees are not inappropriately charged taxes on travel expense.

Second, the bill makes improvement to the Federal Debt Collection Improvement Act of 1996. It clarifies that Social Security payments can be offset for the collection of child support debt owed to states. These debts, since they are being enforced by a State, were ineligible for offset, as State debts were specifically excluded from Social Security offset. With this correction, states will be able to move forward with implementation of this provision.

Third, I am pleased that Representative HORN has again agreed to add a provision that the minority requested that authorizes the Department of Justice to obtain the assistance of outside counsel in the Department's pursuit of monetary claims, including civil fines or penalties. Due to the growing complexity of litigation, many lawsuits now require highly specialized expertise. These cases range from intricate antitrust cases involving software companies to labyrinthine fraud cases involving home health care or other types of complex consumer fraud. Outside firms have acquired substantial expertise that the Department of

Justice may lack. To address this concern, Section 201 of this bill amends section 3718 of Title 31 to allow the Department of Justice to retain outside counsel to assist the Department in litigation seeking monetary damages, fines, or penalties.

Fourth, this bill will authorize agencies to sell nontax debts owed to the U.S. in order to reduce delinquent nontax debts held by agencies. This will allow federal agencies to obtain the maximum value for loans and debt assets. In addition, this legislation will provide agencies with increased leverage to collect debt from certain self-employed professionals. Under the bill, agencies will have the authority to deny federal permits or licenses to delinquent federal debtors.

Fifth, this legislation will dictate greater disclosure of high value nontax debts by requiring annual reports to Congress. It will also authorize agencies to seize the assets of delinquent nontax debtors who owe the U.S. more than \$1 million.

And finally, this legislation improves financial management by authorizing agencies to accept electronic payments to satisfy a nontax debt owed to the agency.

It is our goal in passing this legislation to improve the efficiency of our government and to protect the financial interest of the taxpayers by collecting what is rightfully owed. This bill makes constructive changes to improve the performance of the federal government. It makes good sense and is good government. I urge your support for this measure.

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Government Waste, Fraud, and Error Reduction Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definition.
- Sec. 4. Application of Act.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

- Sec. 101. Improving financial management.
- Sec. 102. Improving travel management.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

- Sec. 201. Miscellaneous technical corrections to subchapter II of chapter 37 of title 31, United States Code.
- Sec. 202. Barring delinquent Federal debtors from obtaining Federal benefits.
- Sec. 203. Collection and compromise of nontax debts and claims.

TITLE III—SALE OF DEBTS OWED TO UNITED STATES

- Sec. 301. Authority to sell debts.
- Sec. 302. Requirement to sell certain debts.

TITLE IV—TREATMENT OF HIGH VALUE DEBTS

- Sec. 401. Annual report on high value debts.

- Sec. 402. Review by Inspectors General.
- Sec. 403. Requirement to seek seizure and forfeiture of assets securing high value debt.

TITLE V—FEDERAL PAYMENTS

- Sec. 501. Promoting electronic payments.

SEC. 2. PURPOSES.

The purposes of this Act are the following:

- (1) To reduce waste, fraud, and error in Federal benefit programs.
- (2) To focus Federal agency management attention on high-risk programs.
- (3) To better collect debts owed to the United States.
- (4) To improve Federal payment systems.
- (5) To improve reporting on Government operations.

SEC. 3. DEFINITION.

As used in this Act, the term "nontax debt" means any debt (within the meaning of that term as used in chapter 37 of title 31, United States Code) other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.

SEC. 4. APPLICATION OF ACT.

No provision of this Act shall apply to the Department of the Treasury or the Internal Revenue Service to the extent that such provision—

- (1) involves the administration of the internal revenue laws; or
- (2) conflicts with the Internal Revenue Service Restructuring and Reform Act of 1998, the Internal Revenue Code of 1986, or the Tariff Act of 1930.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

SEC. 101. IMPROVING FINANCIAL MANAGEMENT.

(a) REPEAL.—Section 3515 of title 31, United States Code, is amended—

- (1) in subsection (a)—
 - (A) by striking "1997" and inserting "1999"; and
 - (B) by inserting "Congress and" after "submit to";
- (2) by striking subsection (e); and
- (3) by striking subsections (f), (g), and (h).

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act.

(2) SECRETARY'S WAIVER AUTHORITY.—Subsection (a)(1) of this section shall take effect March 1, 1998.

SEC. 102. IMPROVING TRAVEL MANAGEMENT.

(a) LIMITED EXCLUSION FROM REQUIREMENT REGARDING OCCUPATION OF QUARTERS.—Section 5911(e) of title 5, United States Code, is amended by adding at the end the following new sentence: "The preceding sentence shall not apply with respect to lodging provided under chapter 57 of this title."

(b) USE OF TRAVEL MANAGEMENT CENTERS, AGENTS, AND ELECTRONIC PAYMENT SYSTEMS.—

(1) REQUIREMENT TO ENCOURAGE USE.—The head of each executive agency shall, with respect to travel by employees of the agency in the performance of the employment duties by the employee, require, to the extent practicable, the use by such employees of travel management centers, travel agents authorized for use by such employees, and electronic reservation and payment systems for the purpose of improving efficiency and economy regarding travel by employees of the agency.

(2) PLAN FOR IMPLEMENTATION.—(A) The Administrator of General Services shall develop a plan regarding the implementation of this subsection and shall, after consultation with the heads of executive agencies, submit to Congress a report describing such plan and the means by which such agency heads plan to ensure that employees use travel management centers, travel agents,

and electronic reservation and payment systems as required by this subsection.

(B) The Administrator shall submit the plan required under subparagraph (A) not later than March 31, 1999.

(C) PAYMENT OF STATE AND LOCAL TAXES ON TRAVEL EXPENSES.—

(1) IN GENERAL.—The Administrator of General Services shall ensure that employees of executive agencies are not inappropriately charged State and local taxes on travel expenses, including transportation, lodging, automobile rental, and other miscellaneous travel expenses.

(2) REPORT.—Not later than March 31, 1999, the Administrator shall, after consultation with the heads of executive agencies, submit to Congress a report describing the steps taken, and proposed to be taken, to carry out this subsection.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

SEC. 201. MISCELLANEOUS TECHNICAL CORRECTIONS TO SUBCHAPTER II OF CHAPTER 37 OF TITLE 31, UNITED STATES CODE.

(a) CHILD SUPPORT ENFORCEMENT.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

“(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply.”.

(b) DEBT SALES.—Section 3711 of title 31, United States Code, is amended by striking subsection (i).

(c) GAINSHARING.—Section 3720C(b)(2)(D) of title 31, United States Code, is amended by striking “delinquent loans” and inserting “debts”.

(d) PROVISIONS RELATING TO PRIVATE COLLECTION CONTRACTORS.—

(1) COLLECTION BY SECRETARY OF THE TREASURY.—Section 3711(g) of title 31, United States Code, is further amended by adding at the end the following:

“(11) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the debtor's current employer, the location of the payroll office of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

“(12)(A) The Secretary of the Treasury shall provide that any contract with a private collection contractor under this subsection shall include a provision that the contractor shall be subject to penalties under the contract—

“(i) if the contractor fails to comply with any restrictions under applicable law regarding the collection activities of debt collectors; or

“(ii) if the contractor engages in unreasonable or abusive debt collection practices in connection with the collection of debt under the contract.

“(B) Notwithstanding any other provision of law, a private collection contractor under this subsection shall not be subject to any liability or contract penalties in connection with efforts to collect a debt pursuant to a contract under this subsection by reason of actions that are required by the contract or by applicable law or regulations.

“(13) In evaluating the performance of a contractor under any contract entered into under this subsection, the Secretary of the Treasury shall consider the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The frequency of valid debtor complaints shall also be considered in the evaluation criteria.

“(14) In selecting contractors for performance of collection services, the Secretary of the Treasury shall evaluate bids received through a methodology that considers the bidder's prior performance in terms of net amounts collected under government collection contracts of similar size, if applicable. The frequency of valid debtor complaints shall also be considered in the evaluation criteria.”.

(2) COLLECTION BY PROGRAM AGENCY.—Section 3718 of title 31, United States Code, is further amended by adding at the end the following:

“(h) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the current place of employment of the debtor, the location of the payroll office of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

“(i)(1) The head of an executive, judicial, or legislative agency that contracts with a private collection contractor to collect a debt owed to the agency, or a guaranty agency or institution of higher education that contracts with a private collection contractor to collect a debt owed under any loan program authorized under title IV of the Higher Education Act of 1965, shall include a provision in the contract that the contractor—

“(A) shall be subject to penalties under the contract if the contractor fails to comply with any restrictions imposed under applicable law on the collection activities of debt collectors; and

“(B) shall be subject to penalties under the contract if the contractor engages in unreasonable or abusive debt collection practices in connection with the collection of debt under the contract.

“(2) Notwithstanding any other provision of law, a private collection contractor under this section shall not be subject to any liability or contract penalties in connection with efforts to collect a debt owed to an executive, judicial, or legislative agency, or owed under any loan program authorized under title IV of the Higher Education Act of 1965, by reason of actions required by the contract, or by applicable law or regulations.

“(j) In evaluating the performance of a contractor under any contract for the performance of debt collection services entered into by an executive, judicial, or legislative agency, the head of the agency shall consider the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The frequency of valid debtor complaints shall also be considered in the evaluation criteria.

“(k) In selecting contractors for performance of collection services, the head of an executive, judicial, or legislative agency shall evaluate bids received through a methodology that considers the bidder's prior performance in terms of net amounts collected under government collection contracts of similar size, if applicable. The frequency of valid debtor complaints shall also be considered in the evaluation criteria.”.

(3) CONSTRUCTION.—None of the amendments made by this subsection shall be construed as altering or superseding the provisions in section 362 of title 11, United States Code or section 6103 of the Internal Revenue Code of 1986.

(e) CLERICAL AMENDMENT.—Section 3720A(h) of title 31, United States Code, is amended—

(1) beginning in paragraph (3), by striking the close quotation marks and all that fol-

lows through the matter preceding subsection (i); and

(2) by adding at the end the following:

“For purposes of this subsection, the disbursing official for the Department of the Treasury is the Secretary of the Treasury or his or her designee.”.

(f) CORRECTION OF REFERENCES TO FEDERAL AGENCY.—(1) Sections 3716(c)(6) and 3720A(a), (b), (c), and (e) of title 31, United States Code, are each amended by striking “Federal agency” each place it appears and inserting “executive, judicial, or legislative agency”.

(2) Section 3716(h)(2)(C), of title 31, United States Code, is amended by striking “a Federal agency” and inserting “an executive, judicial, or legislative agency”.

(g) CLARIFICATION OF INAPPLICABILITY OF ACT TO CERTAIN AGENCIES.—Notwithstanding any other provision of law, no provision in this Act, the Debt Collection Improvement Act of 1996 (chapter 10 of title III of Public Law 104-134; 31 U.S.C. 3701 note), chapter 37 or subchapter II of chapter 33 of title 31, United States Code, or any amendments made by such Acts or any regulations issued thereunder, shall apply to activities carried out pursuant to a law enacted to protect, operate, and administer any deposit insurance funds, including the resolution and liquidation of failed or failing insured depository institutions.

(h) CONTRACTS FOR COLLECTION SERVICES.—Section 3718 of title 31, United States Code, is amended—

(1) in the first sentence of subsection (b)(1)(A), by inserting “, or any monetary claim, including any claims for civil fines or penalties, asserted by the Attorney General” before the period;

(2) in the third sentence of subsection (b)(1)(A)—

(A) by inserting “or in connection with other monetary claims” after “collection of claims of indebtedness”;

(B) by inserting “or claim” after “the indebtedness”;

(C) by inserting “or other person” after “the debtor”;

(3) in subsection (d), by inserting “or any other monetary claim of” after “indebtedness owed”.

SEC. 202. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL BENEFITS.

(a) IN GENERAL.—Section 3720B of title 31, United States Code, is amended to read as follows:

“§ 3720B. Barring delinquent Federal debtors from obtaining Federal benefits

“(a)(1) A person shall not be eligible for the award or renewal of any Federal benefit described in paragraph (2) if the person has an outstanding nontax debt that is in a delinquent status with any executive, judicial, or legislative agency, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional Federal benefits described in paragraph (2) only after such delinquency is resolved in accordance with those standards.

“(2) The Federal benefits referred to in paragraph (1) are the following:

“(A) Financial assistance in the form of a loan (other than a disaster loan) or loan insurance or guarantee.

“(B) Any Federal permit or license otherwise required by law.

“(b) The Secretary of the Treasury may exempt any class of claims from the application of subsection (a) at the request of an executive, judicial, or legislative agency.

“(c)(1) The head of any executive, judicial, or legislative agency may waive the application of subsection (a) to any Federal benefit that is administered by the agency based on standards promulgated by the Secretary of the Treasury.

“(2) The head of an executive, judicial, or legislative agency may delegate the waiver authority under paragraph (1) to the chief financial officer of the agency.

“(3) The chief financial officer of an agency to whom waiver authority is delegated under paragraph (2) may redelegate that authority only to the deputy chief financial officer of the agency. The deputy chief financial officer may not redelegate such authority.

“(d) As used in this section, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of title 31, United States Code, is amended by striking the item relating to section 3720B and inserting the following:

“3720B. Barring delinquent Federal debtors from obtaining Federal benefits.”

(c) CONSTRUCTION.—The amendment made by this section shall not be construed as altering or superseding the provisions in section 525 of title 11, United States Code.

SEC. 203. COLLECTION AND COMPROMISE OF NONTAX DEBTS AND CLAIMS.

(a) USE OF PRIVATE COLLECTION CONTRACTORS AND FEDERAL DEBT COLLECTION CENTERS.—Paragraph (5) of section 3711(g) of title 31, United States Code, is amended to read as follows:

“(5)(A) Nontax debts referred or transferred under this subsection shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities.

“(B) The head of each executive agency that operates a debt collection center may enter into an agreement with the Secretary of the Treasury to carry out the purposes of this subsection.

“(C) The Secretary of the Treasury shall—
“(i) maintain a schedule of private collection contractors and debt collection centers operated by agencies that are eligible for referral of claims under this subsection;

“(ii) maximize collections of delinquent nontax debts by referring delinquent nontax debts promptly;

“(iii) maintain competition between private collection contractors;

“(iv) ensure, to the maximum extent practicable, that a private collection contractor to which a nontax debt is referred is responsible for any administrative costs associated with the contract under which the referral is made.

“(D) As used in this paragraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

(b) LIMITATION ON DISCHARGE BEFORE USE OF PRIVATE COLLECTION CONTRACTOR OR DEBT COLLECTION CENTER.—Paragraph (9) of section 3711(g) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (H) as clauses (i) through (viii);

(2) by inserting “(A)” after “(9)”;

(3) in subparagraph (A) (as designated by paragraph (2) of this subsection) in the matter preceding clause (i) (as designated by paragraph (1) of this subsection), by inserting “and subject to subparagraph (B)” after “as applicable”; and

(4) by adding at the end the following:

“(B)(i) The head of an executive, judicial, or legislative agency may not discharge a nontax debt or terminate collection action on a nontax debt unless the debt has been referred to a private collection contractor or a debt collection center, referred to the Attorney General for litigation, sold without recourse, administrative wage garnishment

has been undertaken, or in the event of bankruptcy, death, or disability.

“(ii) The head of an executive, judicial, or legislative agency may waive the application of clause (i) to any nontax debt, or class of nontax debts if the head of the agency determines that the waiver is in the best interest of the United States.

“(iii) As used in this subparagraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES

SEC. 301. AUTHORITY TO SELL NONTAX DEBTS.

(a) PURPOSE.—The purpose of this section is to provide that the head of each executive, judicial, or legislative agency shall establish a program of nontax debt sales in order to—

(1) minimize the loan and nontax debt portfolios of the agency;

(2) improve credit management while serving public needs;

(3) reduce delinquent nontax debts held by the agency;

(4) obtain the maximum value for loan and nontax debt assets; and

(5) obtain valid data on the amount of the Federal subsidy inherent in loan programs conducted pursuant to the Federal Credit Reform Act of 1990 (Public Law 93-344).

(b) SALES AUTHORIZED.—(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) and using competitive procedures, any nontax debt owed to the United States that is administered by the agency.

(2) Costs the agency incurs in selling nontax debt pursuant to this section may be deducted from the proceeds received from the sale. Such costs may include, but are not limited to—

(A) the costs of any contract for identification, billing, or collection services;

(B) the costs of contractors assisting in the sale of nontax debt;

(C) the fees of appraisers, auctioneers, and realty brokers;

(D) the costs of advertising and surveying; and

(E) other reasonable costs incurred by the agency.

(3) Sales of nontax debt under this section—

(A) shall be for—

(i) cash; or

(ii) cash and a residuary equity, joint venture, or profit participation, if the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the proceeds will be greater than the proceeds from a sale solely for cash;

(B) shall be without recourse against the United States, but may include the use of guarantees if otherwise authorized by law; and

(C) shall transfer to the purchaser all rights of the United States to demand payment of the nontax debt, other than with respect to a residuary equity, joint venture, or profit participation under subparagraph (A)(ii).

(c) EXISTING AUTHORITY NOT AFFECTED.—This section is not intended to limit existing statutory authority of the head of an executive, judicial, or legislative agency to sell loans, nontax debts, or other assets.

SEC. 302. REQUIREMENT TO SELL CERTAIN NONTAX DEBTS.

(a) SALE OF DELINQUENT LOANS.—The head of each executive, judicial, or legislative agency shall sell any nontax loan owed to the United States by the later of—

(1) the date on which the nontax debt becomes 24 months delinquent; or

(2) 24 months after referral of the nontax debt to the Secretary of the Treasury pursuant to section 3711(g)(1) of title 31, United States Code. Sales under this subsection shall be conducted under the authority in section 301.

(b) SALE OF NEW LOANS.—The head of each executive, judicial, or legislative agency shall sell each loan obligation arising from a program administered by the agency, not later than 6 months after the loan is disbursed, unless the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the loan was disbursed, or the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that a longer period is necessary to protect the financial interests of the United States. Such loan obligations shall be audited annually in accordance with generally accepted audit standards. Sales under this subsection shall be conducted under the authority in section 301.

(c) SALE OF NONTAX DEBTS AFTER TERMINATION OF COLLECTION ACTION.—After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States unless the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the sale is not in the best financial interests of the United States. Such nontax debts shall be audited annually in accordance with generally accepted audit standards.

(d) LIMITATIONS.—(1) The head of an executive, judicial, or legislative agency shall not, without the approval of the Attorney General, sell any nontax debt that is the subject of an allegation of or investigation for fraud, or that has been referred to the Department of Justice for litigation.

(2) The head of an executive, judicial, or legislative agency may exempt from sale any class of nontax debts if the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the indebtedness was incurred.

TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS

SEC. 401. ANNUAL REPORT ON HIGH VALUE NONTAX DEBTS.

(a) IN GENERAL.—Not later than 90 days after the end of each fiscal year, the head of each agency that administers a program that gives rise to a delinquent high value nontax debt shall submit a report to Congress that lists each such debt.

(b) CONTENT.—A report under this section shall, for each debt listed in the report, include the following:

(1) The name of each person liable for the debt, including, for a person that is a company, cooperative, or partnership, the names of the owners and principal officers.

(2) The amounts of principal, interest, and penalty comprising the debt.

(3) The actions the agency has taken to collect the debt, and prevent future losses.

(4) Specification of any portion of the debt that has been written-down administratively or due to a bankruptcy proceeding.

(5) An assessment of why the borrower defaulted.

(c) DEFINITIONS.—In this section:

(1) AGENCY.—The term “agency” has the meaning that term has in chapter 37 of title 31, United States Code, as amended by this Act.

(2) HIGH VALUE NONTAX DEBT.—The term “high value nontax debt” means a nontax

debt having an outstanding value (including principal, interest, and penalties) that exceeds \$1,000,000.

SEC. 402. REVIEW BY INSPECTORS GENERAL.

The Inspector General of each agency shall review the annual report to Congress required in section 401 and make such recommendations as necessary to improve performance of the agency. Each Inspector General shall periodically review and report to Congress on the agency's nontax debt collection management practices. As part of such reviews, the Inspector General shall examine agency efforts to reduce the aggregate amount of high value nontax debts that are resolved in whole or in part by compromise, default, or bankruptcy.

SEC. 403. REQUIREMENT TO SEEK SEIZURE AND FORFEITURE OF ASSETS SECURING HIGH VALUE NONTAX DEBT.

The head of an agency authorized to collect a high value nontax debt that is delinquent shall, when appropriate, promptly seek seizure and forfeiture of assets pledged to the United States in any transaction giving rise to the nontax debt. When an agency determines that seizure or forfeiture is not appropriate, the agency shall include a justification for such determination in the report under section 401.

TITLE V—FEDERAL PAYMENTS

SEC. 501. PROMOTING ELECTRONIC PAYMENTS.

(a) EARLY RELEASE OF ELECTRONIC PAYMENTS.—Section 3903(a) of title 31, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

“(1) provide that the required payment date is—

“(A) the date payment is due under the contract for the item of property or service provided; or

“(B) no later than 30 days after a proper invoice for the amount due is received if a specific payment date is not established by contract;”;

(2) by striking “and” after the semicolon at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting “; and”, and by adding at the end the following:

“(10) provide that the Director of the Office of Management and Budget may waive the application of requirements under paragraph (1) to provide for early payment of vendors in cases where an agency will implement an electronic payment technology which improves agency cash management and business practice.”.

(b) AUTHORITY TO ACCEPT ELECTRONIC PAYMENT.—

(1) IN GENERAL.—Subject to an agreement between the head of an executive agency and the applicable financial institution or institutions based on terms acceptable to the Director of the Office of Management and Budget, the head of such agency may accept an electronic payment, including debit and credit cards, to satisfy a nontax debt owed to the agency.

(2) GUIDELINES FOR AGREEMENTS REGARDING PAYMENT.—The Director of the Office of Management and Budget shall develop guidelines regarding agreements between agencies and financial institutions under paragraph (1).

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DAVIS OF VIRGINIA

Mr. DAVIS of Virginia. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. DAVIS of Virginia:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Government Waste, Fraud, and Error Reduction Act of 1998”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definition.
- Sec. 4. Application of Act.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

- Sec. 101. Improving financial management.
- Sec. 102. Improving travel management.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

- Sec. 201. Miscellaneous technical corrections to subchapter II of chapter 37 of title 31, United States Code.
- Sec. 202. Barring delinquent Federal debtors from obtaining Federal benefits.
- Sec. 203. Collection and compromise of nontax debts and claims.

TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES

- Sec. 301. Authority to sell nontax debts.
- Sec. 302. Requirement to sell certain nontax debts.

TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS

- Sec. 401. Annual report on high value nontax debts.
- Sec. 402. Review by Inspectors General.
- Sec. 403. Requirement to seek seizure and forfeiture of assets securing high value nontax debt.

TITLE V—FEDERAL PAYMENTS

- Sec. 501. Promoting electronic payments.

SEC. 2. PURPOSES.

The purposes of this Act are the following:

- (1) To reduce waste, fraud, and error in Federal benefit programs.
- (2) To focus Federal agency management attention on high-risk programs.
- (3) To better collect debts owed to the United States.
- (4) To improve Federal payment systems.
- (5) To improve reporting on Government operations.

SEC. 3. DEFINITION.

As used in this Act, the term “nontax debt” means any debt (within the meaning of that term as used in chapter 37 of title 31, United States Code) other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.

SEC. 4. APPLICATION OF ACT.

No provision of this Act shall apply to the Department of the Treasury or the Internal Revenue Service to the extent that such provision—

- (1) involves the administration of the internal revenue laws; or
- (2) conflicts with the Internal Revenue Service Restructuring and Reform Act of 1998, the Internal Revenue Code of 1986, or the Tariff Act of 1930.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

SEC. 101. IMPROVING FINANCIAL MANAGEMENT.

(a) REPEAL.—Section 3515 of title 31, United States Code, is amended—

- (1) in subsection (a)—
- (A) by striking “1997” and inserting “1999”; and
- (B) by inserting “Congress and” after “submit to”;

- (2) by striking subsection (e); and
 - (3) by striking subsections (f), (g), and (h).
- (b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act.

(2) SECRETARY'S WAIVER AUTHORITY.—Subsection (a)(1) of this section shall take effect March 1, 1998.

SEC. 102. IMPROVING TRAVEL MANAGEMENT.

(a) LIMITED EXCLUSION FROM REQUIREMENT REGARDING OCCUPATION OF QUARTERS.—Section 5911(e) of title 5, United States Code, is amended by adding at the end the following new sentence: “The preceding sentence shall not apply with respect to lodging provided under chapter 57 of this title.”.

(b) USE OF TRAVEL MANAGEMENT CENTERS, AGENTS, AND ELECTRONIC PAYMENT SYSTEMS.—

(1) REQUIREMENT TO ENCOURAGE USE.—The head of each executive agency shall, with respect to travel by employees of the agency in the performance of the employment duties by the employee, require, to the extent practicable, the use by such employees of travel management centers, travel agents authorized for use by such employees, and electronic reservation and payment systems for the purpose of improving efficiency and economy regarding travel by employees of the agency.

(2) PLAN FOR IMPLEMENTATION.—(A) The Administrator of General Services shall develop a plan regarding the implementation of this subsection and shall, after consultation with the heads of executive agencies, submit to Congress a report describing such plan and the means by which such agency heads plan to ensure that employees use travel management centers, travel agents, and electronic reservation and payment systems as required by this subsection.

(B) The Administrator shall submit the plan required under subparagraph (A) not later than March 31, 1999.

(c) PAYMENT OF STATE AND LOCAL TAXES ON TRAVEL EXPENSES.—

(1) IN GENERAL.—The Administrator of General Services shall develop a mechanism to ensure that employees of executive agencies are not inappropriately charged State and local taxes on travel expenses, including transportation, lodging, automobile rental, and other miscellaneous travel expenses.

(2) REPORT.—Not later than March 31, 1999, the Administrator shall, after consultation with the heads of executive agencies, submit to Congress a report describing the steps taken, and proposed to be taken, to carry out this subsection.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

SEC. 201. MISCELLANEOUS TECHNICAL CORRECTIONS TO SUBCHAPTER II OF CHAPTER 37 OF TITLE 31, UNITED STATES CODE.

(a) CHILD SUPPORT ENFORCEMENT.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

“(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply.”.

(b) DEBT SALES.—Section 3711 of title 31, United States Code, is amended by striking subsection (i).

(c) GAINSHARING.—Section 3720C(b)(2)(D) of title 31, United States Code, is amended by striking “delinquent loans” and inserting “debts”.

(d) PROVISIONS RELATING TO PRIVATE COLLECTION CONTRACTORS.—

(1) COLLECTION BY SECRETARY OF THE TREASURY.—Section 3711(g) of title 31, United States Code, is further amended by adding at the end the following:

“(1) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the debtor's current employer, the location of the payroll office

of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

"(12)(A) The Secretary of the Treasury shall provide that any contract with a private collection contractor under this subsection shall include a provision that the contractor shall be subject to penalties under the contract—

"(i) if the contractor fails to comply with any restrictions under applicable law regarding the collection activities of debt collectors; or

"(ii) if the contractor engages in unreasonable or abusive debt collection practices in connection with the collection of debt under the contract.

"(B) Notwithstanding any other provision of law, a private collection contractor under this subsection shall not be subject to any liability or contract penalties in connection with efforts to collect a debt pursuant to a contract under this subsection by reason of actions that are required by the contract or by applicable law or regulations.

"(13) In evaluating the performance of a contractor under any contract entered into under this subsection, the Secretary of the Treasury shall consider the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The frequency of valid debtor complaints shall also be considered in the evaluation criteria.

"(14) In selecting contractors for performance of collection services, the Secretary of the Treasury shall evaluate bids received through a methodology that considers the bidder's prior performance in terms of net amounts collected under government collection contracts of similar size, if applicable. The frequency of valid debtor complaints shall also be considered in the evaluation criteria."

(2) COLLECTION BY PROGRAM AGENCY.—Section 3718 of title 31, United States Code, is further amended by adding at the end the following:

"(h) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the current place of employment of the debtor, the location of the payroll office of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

"(i)(1) The head of an executive, judicial, or legislative agency that contracts with a private collection contractor to collect a debt owed to the agency, or a guaranty agency or institution of higher education that contracts with a private collection contractor to collect a debt owed under any loan program authorized under title IV of the Higher Education Act of 1965, shall include a provision in the contract that the contractor—

"(A) shall be subject to penalties under the contract if the contractor fails to comply with any restrictions imposed under applicable law on the collection activities of debt collectors; and

"(B) shall be subject to penalties under the contract if the contractor engages in unreasonable or abusive debt collection practices in connection with the collection of debt under the contract.

"(2) Notwithstanding any other provision of law, a private collection contractor under this section shall not be subject to any liability or contract penalties in connection with efforts to collect a debt owed to an ex-

ecutive, judicial, or legislative agency, or owed under any loan program authorized under title IV of the Higher Education Act of 1965, by reason of actions required by the contract, or by applicable law or regulations.

"(j) In evaluating the performance of a contractor under any contract for the performance of debt collection services entered into by an executive, judicial, or legislative agency, the head of the agency shall consider the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The frequency of valid debtor complaints shall also be considered in the evaluation criteria.

"(k) In selecting contractors for performance of collection services, the head of an executive, judicial, or legislative agency shall evaluate bids received through a methodology that considers the bidder's prior performance in terms of net amounts collected under government collection contracts of similar size, if applicable. The frequency of valid debtor complaints shall also be considered in the evaluation criteria."

(3) CONSTRUCTION.—None of the amendments made by this subsection shall be construed as altering or superseding the provisions of title 11, United States Code, or section 6103 of the Internal Revenue Code of 1986.

(e) CLERICAL AMENDMENT.—Section 3720A(h) of title 31, United States Code, is amended—

(1) beginning in paragraph (3), by striking the close quotation marks and all that follows through the matter preceding subsection (i); and

(2) by adding at the end the following:

"For purposes of this subsection, the disbursing official for the Department of the Treasury is the Secretary of the Treasury or his or her designee."

(f) CORRECTION OF REFERENCES TO FEDERAL AGENCY.—(1) Sections 3716(c)(6) and 3720A(a), (b), (c), and (e) of title 31, United States Code, are each amended by striking "Federal agency" each place it appears and inserting "executive, judicial, or legislative agency".

(2) Section 3716(h)(2)(C), of title 31, United States Code, is amended by striking "a Federal agency" and inserting "an executive, judicial, or legislative agency".

(g) CLARIFICATION OF INAPPLICABILITY OF ACT TO CERTAIN AGENCIES.—Notwithstanding any other provision of law, no provision in this Act, the Debt Collection Improvement Act of 1996 (chapter 10 of title III of Public Law 104-134; 31 U.S.C. 3701 note), chapter 37 or subchapter II of chapter 33 of title 31, United States Code, or any amendments made by such Acts or any regulations issued thereunder, shall apply to activities carried out pursuant to a law enacted to protect, operate, and administer any deposit insurance funds, including the resolution and liquidation of failed or failing insured depository institutions.

(h) CONTRACTS FOR COLLECTION SERVICES.—Section 3718 of title 31, United States Code, is amended—

(1) in the first sentence of subsection (b)(1)(A), by inserting "; or any monetary claim, including any claims for civil fines or penalties, asserted by the Attorney General" before the period;

(2) in the third sentence of subsection (b)(1)(A)—

(A) by inserting "or in connection with other monetary claims" after "collection of claims of indebtedness";

(B) by inserting "or claim" after "the indebtedness"; and

(C) by inserting "or other person" after "the debtor"; and

(3) in subsection (d), by inserting "or any other monetary claim of" after "indebtedness owed".

SEC. 202. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL BENEFITS.

(a) IN GENERAL.—Section 3720B of title 31, United States Code, is amended to read as follows:

"§ 3720B. Barring delinquent Federal debtors from obtaining Federal benefits

"(a)(1) A person shall not be eligible for the award or renewal of any Federal benefit described in paragraph (2) if the person has an outstanding nontax debt that is in a delinquent status with any executive, judicial, or legislative agency, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional Federal benefits described in paragraph (2) only after such delinquency is resolved in accordance with those standards.

"(2) The Federal benefits referred to in paragraph (1) are the following:

"(A) Financial assistance in the form of a loan (other than a disaster loan) or loan insurance or guarantee.

"(B) Any Federal permit or license otherwise required by law.

"(b) The Secretary of the Treasury may exempt any class of claims from the application of subsection (a) at the request of an executive, judicial, or legislative agency.

"(c)(1) The head of any executive, judicial, or legislative agency may waive the application of subsection (a) to any Federal benefit that is administered by the agency based on standards promulgated by the Secretary of the Treasury.

"(2) The head of an executive, judicial, or legislative agency may delegate the waiver authority under paragraph (1) to the chief financial officer of the agency.

"(3) The chief financial officer of an agency to whom waiver authority is delegated under paragraph (2) may redelegate that authority only to the deputy chief financial officer of the agency. The deputy chief financial officer may not redelegate such authority.

"(d) As used in this section, the term 'nontax debt' means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of title 31, United States Code, is amended by striking the item relating to section 3720B and inserting the following:

"3720B. Barring delinquent Federal debtors from obtaining Federal benefits."

(c) CONSTRUCTION.—The amendment made by this section shall not be construed as altering or superseding the provisions of title 11, United States Code.

SEC. 203. COLLECTION AND COMPROMISE OF NONTAX DEBTS AND CLAIMS.

(a) USE OF PRIVATE COLLECTION CONTRACTORS AND FEDERAL DEBT COLLECTION CENTERS.—Paragraph (5) of section 3711(g) of title 31, United States Code, is amended to read as follows:

"(5)(A) Nontax debts referred or transferred under this subsection shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities.

"(B) The head of each executive agency that operates a debt collection center may enter into an agreement with the Secretary of the Treasury to carry out the purposes of this subsection.

"(C) The Secretary of the Treasury shall—

"(i) maintain a schedule of private collection contractors and debt collection centers operated by agencies that are eligible for referral of claims under this subsection;

"(ii) maximize collections of delinquent nontax debts by referring delinquent nontax debts promptly;

“(iii) maintain competition between private collection contractors;

“(iv) ensure, to the maximum extent practicable, that a private collection contractor to which a nontax debt is referred is responsible for any administrative costs associated with the contract under which the referral is made.

“(D) As used in this paragraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

(b) **LIMITATION ON DISCHARGE BEFORE USE OF PRIVATE COLLECTION CONTRACTOR OR DEBT COLLECTION CENTER.**—Paragraph (9) of section 3711(g) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (H) as clauses (i) through (viii);

(2) by inserting “(A)” after “(9)”;

(3) in subparagraph (A) (as designated by paragraph (2) of this subsection) in the matter preceding clause (i) (as designated by paragraph (1) of this subsection), by inserting “and subject to subparagraph (B)” after “as applicable”; and

(4) by adding at the end the following:

“(B)(i) The head of an executive, judicial, or legislative agency may not discharge a nontax debt or terminate collection action on a nontax debt unless the debt has been referred to a private collection contractor or a debt collection center, referred to the Attorney General for litigation, sold without recourse, administrative wage garnishment has been undertaken, or in the event of bankruptcy, death, or disability.

“(ii) The head of an executive, judicial, or legislative agency may waive the application of clause (i) to any nontax debt, or class of nontax debts if the head of the agency determines that the waiver is in the best interest of the United States.

“(iii) As used in this subparagraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES

SEC. 301. AUTHORITY TO SELL NONTAX DEBTS.

(a) **PURPOSE.**—The purpose of this section is to provide that the head of each executive, judicial, or legislative agency shall establish a program of nontax debt sales in order to—

(1) minimize the loan and nontax debt portfolios of the agency;

(2) improve credit management while serving public needs;

(3) reduce delinquent nontax debts held by the agency;

(4) obtain the maximum value for loan and nontax debt assets; and

(5) obtain valid data on the amount of the Federal subsidy inherent in loan programs conducted pursuant to the Federal Credit Reform Act of 1990 (Public Law 93-344).

(b) **SALES AUTHORIZED.**—(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) and using competitive procedures, any nontax debt owed to the United States that is administered by the agency.

(2) Costs the agency incurs in selling nontax debt pursuant to this section may be deducted from the proceeds received from the sale. Such costs may include, but are not limited to—

(A) the costs of any contract for identification, billing, or collection services;

(B) the costs of contractors assisting in the sale of nontax debt;

(C) the fees of appraisers, auctioneers, and realty brokers;

(D) the costs of advertising and surveying; and

(E) other reasonable costs incurred by the agency.

(3) Sales of nontax debt under this section—

(A) shall be for—

(i) cash; or

(ii) cash and a residuary equity, joint venture, or profit participation, if the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the proceeds will be greater than the proceeds from a sale solely for cash;

(B) shall be without recourse against the United States, but may include the use of guarantees if otherwise authorized by law; and

(C) shall transfer to the purchaser all rights of the United States to demand payment of the nontax debt, other than with respect to a residuary equity, joint venture, or profit participation under subparagraph (A)(ii).

(c) **EXISTING AUTHORITY NOT AFFECTED.**—This section is not intended to limit existing statutory authority of the head of an executive, judicial, or legislative agency to sell loans, nontax debts, or other assets.

SEC. 302. REQUIREMENT TO SELL CERTAIN NONTAX DEBTS.

(a) **SALE OF DELINQUENT LOANS.**—The head of each executive, judicial, or legislative agency shall sell any nontax loan owed to the United States by the later of—

(1) the date on which the nontax debt becomes 24 months delinquent; or

(2) 24 months after referral of the nontax debt to the Secretary of the Treasury pursuant to section 3711(g)(1) of title 31, United States Code. Sales under this subsection shall be conducted under the authority in section 301.

(b) **SALE OF NEW LOANS.**—The head of each executive, judicial, or legislative agency shall sell each loan obligation arising from a program administered by the agency, not later than 6 months after the loan is disbursed, unless the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the loan was disbursed, or the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that a longer period is necessary to protect the financial interests of the United States. Such loan obligations shall be audited annually in accordance with generally accepted audit standards. Sales under this subsection shall be conducted under the authority in section 301.

(c) **SALE OF NONTAX DEBTS AFTER TERMINATION OF COLLECTION ACTION.**—After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States unless the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the sale is not in the best financial interests of the United States. Such nontax debts shall be audited annually in accordance with generally accepted audit standards.

(d) **LIMITATIONS.**—(1) The head of an executive, judicial, or legislative agency shall not, without the approval of the Attorney General, sell any nontax debt that is the subject of an allegation of or investigation for fraud, or that has been referred to the Department of Justice for litigation.

(2) The head of an executive, judicial, or legislative agency may exempt from sale any class of nontax debts if the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the indebtedness was incurred.

TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS

SEC. 401. ANNUAL REPORT ON HIGH VALUE NONTAX DEBTS.

(a) **IN GENERAL.**—Not later than 90 days after the end of each fiscal year, the head of each agency that administers a program that gives rise to a delinquent high value nontax debt shall submit a report to Congress that lists each such debt.

(b) **CONTENT.**—A report under this section shall, for each debt listed in the report, include the following:

(1) The name of each person liable for the debt, including, for a person that is a company, cooperative, or partnership, the names of the owners and principal officers.

(2) The amounts of principal, interest, and penalty comprising the debt.

(3) The actions the agency has taken to collect the debt, and prevent future losses.

(4) Specification of any portion of the debt that has been written-down administratively or due to a bankruptcy proceeding.

(5) An assessment of why the borrower defaulted.

(c) **DEFINITIONS.**—In this title:

(1) **AGENCY.**—The term “agency” has the meaning that term has in chapter 37 of title 31, United States Code, as amended by this Act.

(2) **HIGH VALUE NONTAX DEBT.**—The term “high value nontax debt” means a nontax debt having an outstanding value (including principal, interest, and penalties) that exceeds \$1,000,000.

SEC. 402. REVIEW BY INSPECTORS GENERAL.

The Inspector General of each agency shall review the annual report to Congress required in section 401 and make such recommendations as necessary to improve performance of the agency. Each Inspector General shall periodically review and report to Congress on the agency’s nontax debt collection management practices. As part of such reviews, the Inspector General shall examine agency efforts to reduce the aggregate amount of high value nontax debts that are resolved in whole or in part by compromise, default, or bankruptcy.

SEC. 403. REQUIREMENT TO SEEK SEIZURE AND FORFEITURE OF ASSETS SECURING HIGH VALUE NONTAX DEBT.

The head of an agency authorized to collect a high value nontax debt that is delinquent shall, when appropriate, promptly seek seizure and forfeiture of assets pledged to the United States in any transaction giving rise to the nontax debt. When an agency determines that seizure or forfeiture is not appropriate, the agency shall include a justification for such determination in the report under section 401.

TITLE V—FEDERAL PAYMENTS

SEC. 501. PROMOTING ELECTRONIC PAYMENTS.

(a) **EARLY RELEASE OF ELECTRONIC PAYMENTS.**—Section 3903(a) of title 31, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

“(1) provide that the required payment date is—

“(A) the date payment is due under the contract for the item of property or service provided; or

“(B) no later than 30 days after a proper invoice for the amount due is received if a specific payment date is not established by contract;”;

(2) by striking “and” after the semicolon at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting “; and”, and by adding at the end the following:

“(10) provide that the Director of the Office of Management and Budget may waive the application of requirements under paragraph

(1) to provide for early payment of vendors in cases where an agency will implement an electronic payment technology which improves agency cash management and business practice.”.

(b) AUTHORITY TO ACCEPT ELECTRONIC PAYMENT.—

(1) IN GENERAL.—Subject to an agreement between the head of an executive agency and the applicable financial institution or institutions based on terms acceptable to the Secretary of the Treasury, the head of such agency may accept an electronic payment, including debit and credit cards, to satisfy a nontax debt owed to the agency.

(2) GUIDELINES FOR AGREEMENTS REGARDING PAYMENT.—The Secretary of the Treasury shall develop guidelines regarding agreements between agencies and financial institutions under paragraph (1).

Mr. DAVIS of Virginia (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

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

There was no objection.

Mr. DAVIS of Virginia. Mr. Speaker, this is a bipartisan piece of legislation that passed the House on the suspension calendar last week. The version before us now has been modified to reflect the views of the relevant Senate committees of jurisdiction as well as those of the administration. The bill is necessary as uncollected debt owed the Federal Government continues to be a major problem. According to the Department of Treasury, delinquent nontax debts owed to the Federal Government totaled \$51 billion at the end of Fiscal Year 1997.

□ 2000

Of this amount, \$47.2 billion was delinquent for more than 180 days.

This bill will prove improve the efficiency and economy of Federal debt collection practices. It builds on other debt collection initiatives and provides the Federal Government with important debt collection tools.

The bill requires agencies to report to Congress on uncollected delinquent non-tax debts over \$1 million. The bill also authorizes agencies to sell non-tax loans and bar delinquent debtors from obtaining a Federal permit or license, Federal contract, or other award or renewal of a Federal benefit. H.R. 4857 contains these important provisions and many others designed to improve the efficiency and effectiveness of the debt collection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Virginia (Mr. DAVIS).

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 3910, AUTOMOBILE NATIONAL HERITAGE AREA ACT

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 129) to correct a technical error in the enrollment of H.R. 3910, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

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

The Chair has not received assurances of clearance from the minority at this time.

Mr. YOUNG of Alaska. Mr. Speaker, we have been assured of the clearance by the minority. There is minority on the floor. They agree with it.

The SPEAKER pro tempore. The request of the gentleman is withdrawn.

TECHNOLOGY TRANSFER COMMERCIALIZATION ACT OF 1998

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that the Committee on Science be discharged from further consideration of the bill (H.R. 4859) to improve the ability of Federal agencies to license federally owned inventions, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 4859

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Technology Transfer Commercialization Act of 1998”.

SEC. 2. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Section 12(b)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)(1)) is amended by inserting “or, subject to section 209 of title 35, United States Code, may grant a license to an invention which is federally owned, for which a patent application was filed before the granting of the license, and directly within the scope of the work under the agreement,” after “under the agreement.”.

SEC. 3. LICENSING FEDERALLY OWNED INVENTIONS.

(a) AMENDMENT.—Section 209 of title 35, United States Code, is amended to read as follows:

“§ 209. Licensing federally owned inventions

“(a) AUTHORITY.—A Federal agency may grant an exclusive or partially exclusive license on a federally owned invention under section 207(a)(2) only if—

“(1) granting the license is a reasonable and necessary incentive to—

“(A) call forth the investment capital and expenditures needed to bring the invention to practical application; or

“(B) otherwise promote the invention's utilization by the public;

“(2) the Federal agency finds that the public will be served by the granting of the li-

cense, as indicated by the applicant's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public, and that the proposed scope of exclusivity is not greater than reasonably necessary to provide the incentive for bringing the invention to practical utilization, as proposed by the applicant, or otherwise to promote the invention's utilization by the public;

“(3) the applicant makes a commitment to achieve practical utilization of the invention within a reasonable time, which time may be extended by the agency upon the applicant's request and the applicant's demonstration that the refusal of such extension would be unreasonable;

“(4) granting the license will not tend to substantially lessen competition or create or maintain a violation of the Federal antitrust laws; and

“(5) in the case of an invention covered by a foreign patent application or patent, the interests of the Federal Government or United States industry in foreign commerce will be enhanced.

“(b) MANUFACTURE IN UNITED STATES.—A Federal agency shall normally grant a license under section 207(a)(2) to use or sell any federally owned invention in the United States only to a licensee who agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

“(c) SMALL BUSINESS.—First preference for the granting of any exclusive or partially exclusive licenses under section 207(a)(2) shall be given to small business firms having equal or greater likelihood as other applicants to bring the invention to practical application within a reasonable time.

“(d) TERMS AND CONDITIONS.—Any licenses granted under section 207(a)(2) shall contain such terms and conditions as the granting agency considers appropriate. Such terms and conditions shall include provisions—

“(1) retaining a nontransferable, irrevocable, paid-up license for any Federal agency to practice the invention or have the invention practiced throughout the world by or on behalf of the Government of the United States;

“(2) requiring periodic reporting on utilization of the invention, and utilization efforts, by the licensee, but only to the extent necessary to enable the Federal agency to determine whether the terms of the license are being complied with; and

“(3) empowering the Federal agency to terminate the license in whole or in part if the agency determines that—

“(A) the licensee is not executing its commitment to achieve practical utilization of the invention, including commitments contained in any plan submitted in support of its request for a license, and the licensee cannot otherwise demonstrate to the satisfaction of the Federal agency that it has taken, or can be expected to take within a reasonable time, effective steps to achieve practical utilization of the invention;

“(B) the licensee is in breach of an agreement described in subsection (b);

“(C) termination is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license, and such requirements are not reasonably satisfied by the licensee; or

“(D) the licensee has been found by a court of competent jurisdiction to have violated the Federal antitrust laws in connection with its performance under the license agreement.

“(e) PUBLIC NOTICE.—No exclusive or partially exclusive license may be granted under section 207(a)(2) unless public notice of