

extensive range of democratic institutions”, including nongovernmental organizations and independent media;

Whereas, in the 1991 Document of the Moscow Meeting of the Conference on the Human Dimension, the participating States “categorically and irrevocably declare[d] that the commitments undertaken in the field of the human dimension of the CSCE are matters of direct and legitimate concern to all participating States and do not belong exclusively to the internal affairs of the State concerned”;

Whereas the OSCE and the participating States have undertaken a series of measures aimed at combating anti-Semitism, racism, xenophobia, and discrimination including through the convening of related high-level conferences and the appointment of Personal Representatives of the Chairman-in-Office;

Whereas the 1999 Istanbul OSCE Charter for European Security and the Istanbul Summit Declaration note the particular challenges of ending violence against women and children as well as sexual exploitation and all forms of trafficking in human beings, and commit the participating States to strengthen efforts to combat corruption, eradicate torture, and end discrimination against Roma;

Whereas the OSCE maintains important relations with countries beyond the OSCE region, including the Mediterranean Partners for Cooperation countries of Algeria, Egypt, Israel, Jordan, Morocco, and Tunisia, and, since the early 1990s, the Asian Partners for Co-operation countries of Afghanistan, Australia, Japan, the Republic of Korea, Mongolia, and Thailand;

Whereas OSCE institutions, such as the OSCE Parliamentary Assembly, the Office for Democratic Institutions and Human Rights, the High Commissioner on National Minorities, and the OSCE Representative on Freedom of the Media are important instruments for advancing democracy, human rights, and the rule of law as well as preventing conflicts;

Whereas field missions deployed by the OSCE in several participating States have contributed directly to regional security and cooperation in particular by deterring the spill over effects of conflict, assisting with post-conflict recovery, providing expertise on democracy-building, and monitoring closely the situation of vulnerable or threatened communities of people;

Whereas the main challenge facing the participating States remains the implementation of the principles and provisions contained in the Helsinki Final Act and other OSCE documents adopted on the basis of consensus;

Whereas the participating States have recognized that economic liberty, social justice, and environmental responsibility are indispensable to prosperity;

Whereas the participating States have committed themselves to promoting economic reforms through enhanced transparency for economic activity, with the aim of advancing the principles of market economies;

Whereas the participating States have stressed the importance of respect for the rule of law and vigorous efforts to fight organized crime and corruption, which constitute a great threat to economic reform and prosperity;

Whereas OSCE has expanded the scope and substance of its efforts, undertaking a variety of preventive diplomacy initiatives designed to prevent, manage, and resolve conflict within and among the participating States;

Whereas the politico-military aspects of security remain vital to the interests of the participating States and constitute a core

element of OSCE's concept of comprehensive security;

Whereas the OSCE has played an active role in civilian police-related activities, including training, as an integral part of OSCE's efforts in conflict prevention, crisis management, and post-conflict rehabilitation; and

Whereas the participating States bear primary responsibility for raising awareness of violations of commitments contained in the Helsinki Final Act and other OSCE documents; Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That Congress calls upon the President—

(1) to issue a proclamation—

(A) recognizing the 35th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe;

(B) reasserting the commitment of the United States to full implementation of the Helsinki Final Act;

(C) urging all participating States to abide by their commitments under the Helsinki Final Act and subsequent OSCE documents adopted by consensus; and

(D) encouraging the people of the United States to join the President and Congress in observance of this anniversary with appropriate programs, ceremonies, and activities; and

(2) to convey to all signatories of the Helsinki Final Act that respect for human rights and fundamental freedoms, democratic principles, economic liberty, and the implementation of related commitments continue to be vital elements in promoting a new era of democracy, peace, and unity in the region covered by the Organization for Security and Cooperation in Europe.

#### SUBMITTED RESOLUTIONS

#### SENATE RESOLUTION 604—URGING THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN TO IMMEDIATELY AND UNCONDITIONALLY RELEASE SARAH SHOURD, JOSHUA FATTAL, AND SHANE BAUER ON HUMANITARIAN GROUNDS

Mrs. BOXER (for herself, Mr. CASEY, Mr. FRANKEN, Ms. KLOBUCHAR, Mr. SPECTER, and Mrs. FEINSTEIN) submitted the following resolution; which was considered and agreed to:

S. RES. 604

Whereas on July 31, 2009, Sarah Shourd, Joshua Fattal, and Shane Bauer were taken into custody by Iranian officials after they may have inadvertently crossed the poorly marked Iranian border while hiking in the Kurdistan region of the Republic of Iraq;

Whereas Sarah, Josh, and Shane have since been held in Evin prison in Tehran, Iran;

Whereas the amount of time that Sarah, Josh, and Shane have spent in prison is unjustified in relation to their alleged offense of illegal entry into Iran;

Whereas during their detention, Sarah, Josh, and Shane have only been afforded the opportunity to see their families during a brief visit in May;

Whereas according to their families, Sarah and Shane may be suffering from potentially serious health problems;

Whereas the families of Sarah, Josh, and Shane have suffered greatly in the absence of their loved ones; and

Whereas July 31, 2010, will mark the 1-year anniversary of their detention: Now, therefore, be it

*Resolved*, That Congress—

(1) recognizes that Sarah Shourd, Joshua Fattal, and Shane Bauer have been held in custody in Iran for 1 year; and

(2) urges the Government of Iran to immediately and unconditionally release Sarah Shourd, Joshua Fattal, and Shane Bauer on humanitarian grounds and allow them to reunite with their families in the United States.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 4573. Mr. REED submitted an amendment intended to be proposed to amendment SA 4567 proposed by Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; which was ordered to lie on the table.

SA 4574. Mr. REED submitted an amendment intended to be proposed to amendment SA 4567 proposed by Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) to the bill H.R. 1586, supra; which was ordered to lie on the table.

SA 4575. Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) proposed an amendment to the bill H.R. 1586, supra.

SA 4576. Mr. REID proposed an amendment to amendment SA 4575 proposed by Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) to the bill H.R. 1586, supra.

SA 4577. Mr. REID proposed an amendment to the bill H.R. 1586, supra.

SA 4578. Mr. REID proposed an amendment to amendment SA 4577 proposed by Mr. REID to the bill H.R. 1586, supra.

SA 4579. Mr. REID proposed an amendment to amendment SA 4578 proposed by Mr. REID to the amendment SA 4577 proposed by Mr. REID to the bill H.R. 1586, supra.

SA 4580. Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill H.R. 5875, making emergency supplemental appropriations for border security for the fiscal year ending September 30, 2010, and for other purposes; which was ordered to lie on the table.

SA 4581. Mr. DODD (for Mrs. BOXER) proposed an amendment to the bill S. 1055, to grant the congressional gold medal, collectively, to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II.

#### TEXT OF AMENDMENTS

**SA 4573.** Mr. REED submitted an amendment intended to be proposed to amendment SA 4567 proposed by Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**TITLE V—ECONOMIC DEVELOPMENT ASSISTANCE**

**SEC. 501. ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS.**

In chapter 2 of title I of the Act entitled “An Act making supplemental appropriations for the fiscal year ending September 30, 2010, and for other purposes”, strike the matter under the heading “ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS” under the heading “ECONOMIC DEVELOPMENT ADMINISTRATION” under the heading “DEPARTMENT OF COMMERCE” and insert the following:

“Pursuant to section 703 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3233), for an additional amount for “Economic Development Assistance Programs”, for necessary expenses relating to disaster relief, long-term recovery, and restoration of infrastructure in areas affected by flooding for which the President declared a major disaster during the period beginning on March 29, 2010, and ending on May 7, 2010, which included individual assistance for an entire State or not fewer than 45 counties within a State under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.), \$49,000,000, to remain available until expended: *Provided*, That not more than 50 percent of the amount provided under this heading shall be allocated to any State.”

**SA 4574.** Mr. REED submitted an amendment intended to be proposed to amendment SA 4567 proposed by Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; which was ordered to lie on the table; as follows:

On page 38, after line 24, insert the following:

**Subtitle C—Community Development Funds**  
**SEC. 221. COMMUNITY DEVELOPMENT FUNDS.**

Chapter 11 of title I of the Supplemental Appropriations Act, 2010, is amended by striking the heading “Community Development Fund” and all the matter that follows through the ninth proviso under such heading and inserting the following:

“COMMUNITY DEVELOPMENT FUND

“For an additional amount for the ‘Community Development Fund’, for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by flooding for which the President declared a major disaster between March 29, 2010, and May 7, 2010, which included Individual Assistance for an entire State or not fewer than 45 counties within a State under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974, \$100,000,000, to remain available until expended, for activities authorized under title I of the Housing and Community Development Act of 1974 (Public Law 93-383): *Provided*, That funds shall be awarded directly to the State or unit of general local government at the discretion of the Secretary: *Provided further*, That prior to the obligation of funds a grantee shall submit a plan to the Secretary detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of

infrastructure: *Provided further*, That funds provided under this heading may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program: *Provided further*, That such funds may not be used for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency or the Army Corps of Engineers: *Provided further*, That funds allocated under this heading shall not adversely affect the amount of any formula assistance received by a State or subdivision thereof under the Community Development Fund: *Provided further*, That a State or subdivision thereof may use up to 5 percent of its allocation for administrative costs: *Provided further*, That in administering the funds under this heading, the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds or guarantees (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a request by a State or subdivision thereof explaining why such waiver is required to facilitate the use of such funds or guarantees, if the Secretary finds that such waiver would not be inconsistent with the overall purpose of title I of the Housing and Community Development Act of 1974: *Provided further*, That the Secretary shall publish in the Federal Register any waiver of any statute or regulation that the Secretary administers pursuant to title I of the Housing and Community Development Act of 1974 no later than 5 days before the effective date of such waiver: *Provided further*, That the Secretary shall obligate to a State or subdivision thereof not less than 50 percent of the funding provided under this heading within 90 days after the enactment of this Act: *Provided further*, That not more than 50 percent of the funding provided under this heading shall be allocated to any State (including units of general local government).”

**SA 4575.** Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) proposed an amendment to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the “\_\_\_\_\_ Act of \_\_\_\_\_”.

TITLE I

EDUCATION JOBS FUND

EDUCATION JOBS FUNDS

SEC. 101. There are authorized to be appropriated and there are appropriated out of any money in the Treasury not otherwise obligated for necessary expenses for an Education Jobs Fund, \$10,000,000,000: *Provided*, That the amount under this heading shall be administered under the terms and conditions of sections 14001 through 14013 and title XV of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) except as follows:

(1) ALLOCATION OF FUNDS.—

(A) Funds appropriated under this heading shall be available only for allocation by the

Secretary of Education (in this heading referred to as the Secretary) in accordance with subsections (a), (b), (d), (e), and (f) of section 14001 of division A of Public Law 111-5 and subparagraph (B) of this paragraph, except that the amount reserved under such subsection (b) shall not exceed \$1,000,000 and such subsection (f) shall be applied by substituting one year for two years.

(B) Prior to allocating funds to States under section 14001(d) of division A of Public Law 111-5, the Secretary shall allocate 0.5 percent to the Secretary of the Interior for schools operated or funded by the Bureau of Indian Affairs on the basis of the schools’ respective needs for activities consistent with this heading under such terms and conditions as the Secretary of the Interior may determine.

(2) RESERVATION.—A State that receives an allocation of funds appropriated under this heading may reserve not more than 2 percent for the administrative costs of carrying out its responsibilities with respect to those funds.

(3) AWARDS TO LOCAL EDUCATIONAL AGENCIES.—

(A) Except as specified in paragraph (2), an allocation of funds to a State shall be used only for awards to local educational agencies for the support of elementary and secondary education in accordance with paragraph (5) for the 2010-2011 school year (or, in the case of reallocations made under section 14001(f) of division A of Public Law 111-5, for the 2010-2011 or the 2011-2012 school year).

(B) Funds used to support elementary and secondary education shall be distributed through a State’s primary elementary and secondary funding formulae or based on local educational agencies’ relative shares of funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for the most recent fiscal year for which data are available.

(C) Subsections (a) and (b) of section 14002 of division A of Public Law 111-5 shall not apply to funds appropriated under this heading.

(4) COMPLIANCE WITH EDUCATION REFORM ASSURANCES.—For purposes of awarding funds appropriated under this heading, any State that has an approved application for Phase II of the State Fiscal Stabilization Fund that was submitted in accordance with the application notice published in the Federal Register on November 17, 2009 (74 Fed. Reg. 59142) shall be deemed to be in compliance with subsection (b) and paragraphs (2) through (5) of subsection (d) of section 14005 of division A of Public Law 111-5.

(5) REQUIREMENT TO USE FUNDS TO RETAIN OR CREATE EDUCATION JOBS.—Notwithstanding section 14003(a) of division A of Public Law 111-5, funds awarded to local educational agencies under paragraph (3)—

(A) may be used only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services; and

(B) may not be used for general administrative expenses or for other support services expenditures as those terms were defined by the National Center for Education Statistics in its Common Core of Data as of the date of enactment of this Act.

(6) PROHIBITION ON USE OF FUNDS FOR RAINY-DAY FUNDS OR DEBT RETIREMENT.—A State that receives an allocation may not use such funds, directly or indirectly, to—

(A) establish, restore, or supplement a rainy-day fund;

(B) supplant State funds in a manner that has the effect of establishing, restoring, or supplementing a rainy-day fund;

(C) reduce or retire debt obligations incurred by the State; or

(D) supplant State funds in a manner that has the effect of reducing or retiring debt obligations incurred by the State.

(7) **DEADLINE FOR AWARD.**—The Secretary shall award funds appropriated under this heading not later than 45 days after the date of the enactment of this Act to States that have submitted applications meeting the requirements applicable to funds under this heading. The Secretary shall not require information in applications beyond what is necessary to determine compliance with applicable provisions of law.

(8) **ALTERNATE DISTRIBUTION OF FUNDS.**—If, within 30 days after the date of the enactment of this Act, a Governor has not submitted an approvable application, the Secretary shall provide for funds allocated to that State to be distributed to another entity or other entities in the State (notwithstanding section 14001(e) of division A of Public Law 111-5) for support of elementary and secondary education, under such terms and conditions as the Secretary may establish, provided that all terms and conditions that apply to funds appropriated under this heading shall apply to such funds distributed to such entity or entities. No distribution shall be made to a State under this paragraph, however, unless the Secretary has determined (on the basis of such information as may be available) that the requirements of clauses (i), (ii), or (iii) of paragraph 10(A) are likely to be met, notwithstanding the lack of an application from the Governor of that State.

(9) **LOCAL EDUCATIONAL AGENCY APPLICATION.**—Section 442 of the General Education Provisions Act shall not apply to a local educational agency that has previously submitted an application to the State under title XIV of division A of Public Law 111-5. The assurances provided under that application shall continue to apply to funds awarded under this heading.

(10) **MAINTENANCE OF EFFORT.**—

(A) Except as provided in paragraph (8), the Secretary shall not allocate funds to a State under paragraph (1) unless the Governor of the State provides an assurance to the Secretary that—

(i) for State fiscal year 2011, the State will maintain State support for elementary and secondary education (in the aggregate or on the basis of expenditures per pupil) and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) at not less than the level of such support for each of the two categories, respectively, for State fiscal year 2009;

(ii) for State fiscal year 2011, the State will maintain State support for elementary and secondary education and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) at a percentage of the total revenues available to the State that is equal to or greater than the percentage provided for each of the two categories, respectively, for State fiscal year 2010; or

(iii) in the case of a State in which State tax collections for calendar year 2009 were less than State tax collections for calendar year 2006, for State fiscal year 2011 the State will maintain State support for elementary and secondary education (in the aggregate) and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students)—

(I) at not less than the level of such support for each of the two categories, respectively, for State fiscal year 2006; or

(II) at a percentage of the total revenues available to the State that is equal to or greater than the percentage provided for each of the two categories, respectively, for State fiscal year 2006.

(B) Section 14005(d)(1) and subsections (a) through (c) of section 14012 of division A of Public Law 111-5 shall not apply to funds appropriated under this heading.

(11) **ADDITIONAL REQUIREMENTS FOR THE STATE OF TEXAS.**—The following requirements shall apply to the State of Texas:

(A) Notwithstanding paragraph (3)(B), funds used to support elementary and secondary education shall be distributed based on local educational agencies' relative shares of funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for the most recent fiscal year which data are available. Funds distributed pursuant to this paragraph shall be used to supplement and not supplant State formula funding that is distributed on a similar basis to part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.).

(B) The Secretary shall not allocate funds to the State of Texas under paragraph (1) unless the Governor of the State provides an assurance to the Secretary that the State will for fiscal years 2011, 2012, and 2013 maintain State support for elementary and secondary education at a percentage of the total revenues available to the State that is equal to or greater than the percentage provided for such purpose for fiscal year 2011 prior to the enactment of this Act.

(C) Notwithstanding paragraph (8), no distribution shall be made to the State of Texas or local education agencies therein unless the Governor of Texas makes an assurance to the Secretary that the requirements in paragraphs (11)(A) and (11)(B) will be met, notwithstanding the lack of an application from the Governor of Texas.

## TITLE II—STATE FISCAL RELIEF AND OTHER PROVISIONS; REVENUE OFFSETS

### Subtitle A—State Fiscal Relief and Other Provisions

#### EXTENSION OF ARRA INCREASE IN FMAP

##### SEC. 201.

Section 5001 of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) is amended—

(1) in subsection (a)(3), by striking “first calendar quarter” and inserting “first 3 calendar quarters”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “paragraph (2)” and inserting “paragraphs (2) and (3)”;

(B) by adding at the end the following:

“(3) **PHASE-DOWN OF GENERAL INCREASE.**—

“(A) **SECOND QUARTER OF FISCAL YEAR 2011.**—For each State, for the second quarter of fiscal year 2011, the FMAP percentage increase for the State under paragraph (1) or (2) (as applicable) shall be 3.2 percentage points.

“(B) **THIRD QUARTER OF FISCAL YEAR 2011.**—For each State, for the third quarter of fiscal year 2011, the FMAP percentage increase for the State under paragraph (1) or (2) (as applicable) shall be 1.2 percentage points.”;

(3) in subsection (c)—

(A) in paragraph (2)(B), by striking “July 1, 2010” and inserting “January 1, 2011”;

(B) in paragraph (3)(B)(i), by striking “July 1, 2010” and inserting “January 1, 2011” each place it appears; and

(C) in paragraph (4)(C)(ii), by striking “the 3-consecutive-month period beginning with January 2010” and inserting “any 3-consecutive-month period that begins after December 2009 and ends before January 2011”;

(4) in subsection (e), by adding at the end the following:

“Notwithstanding paragraph (5), effective for payments made on or after January 1, 2010, the increases in the FMAP for a State under this section shall apply to payments under title XIX of such Act that are attributable to expenditures for medical assistance provided to nonpregnant childless adults made eligible under a State plan under such title (including under any waiver under such title or under section 1115 of such Act (42 U.S.C. 1315)) who would have been eligible for child health assistance or other health benefits under eligibility standards in effect as of December 31, 2009, of a waiver of the State child health plan under the title XXI of such Act.”;

(5) in subsection (g)—

(A) in paragraph (1), by striking “September 30, 2011” and inserting “March 31, 2012”;

(B) in paragraph (2), by inserting “of such Act” after “1923”; and

(C) by adding at the end the following:

“(3) **CERTIFICATION BY CHIEF EXECUTIVE OFFICER.**—No additional Federal funds shall be paid to a State as a result of this section with respect to a calendar quarter occurring during the period beginning on January 1, 2011, and ending on June 30, 2011, unless, not later than 45 days after the date of enactment of this paragraph, the chief executive officer of the State certifies that the State will request and use such additional Federal funds.”; and

(6) in subsection (h)(3), by striking “December 31, 2010” and inserting “June 30, 2011”.

#### TREATMENT OF CERTAIN DRUGS FOR COMPUTATION OF MEDICAID AMP

##### SEC. 202.

Effective as if included in the enactment of Public Law 111-148, section 1927(k)(1)(B)(i)(IV) of the Social Security Act (42 U.S.C. 1396r-8(k)(1)(B)(i)(IV)), as amended by section 2503(a)(2)(B) of Public Law 111-148 and section 1101(c)(2) of Public Law 111-152, is amended by adding at the end the following: “, unless the drug is an inhalation, infusion, instilled, implanted, or injectable drug that is not generally dispensed through a retail community pharmacy; and”.

#### SUNSET OF TEMPORARY INCREASE IN BENEFITS UNDER THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

##### SEC. 203.

Section 101(a) of title I of division A of Public Law 111-5 (123 Stat. 120), as amended by section 4262 of this Act, is amended by striking paragraph (2) and inserting the following:

“(2) **TERMINATION.**—The authority provided by this subsection shall terminate after March 31, 2014.”.

#### Subtitle B—Revenue Offsets

#### RULES TO PREVENT SPLITTING FOREIGN TAX CREDITS FROM THE INCOME TO WHICH THEY RELATE

##### SEC. 211.

(a) **IN GENERAL.**—Subpart A of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

#### “SEC. 909. SUSPENSION OF TAXES AND CREDITS UNTIL RELATED INCOME TAKEN INTO ACCOUNT.

“(a) **IN GENERAL.**—If there is a foreign tax credit splitting event with respect to a foreign income tax paid or accrued by the taxpayer, such tax shall not be taken into account for purposes of this title before the taxable year in which the related income is taken into account under this chapter by the taxpayer.

“(b) **SPECIAL RULES WITH RESPECT TO SECTION 902 CORPORATIONS.**—If there is a foreign tax credit splitting event with respect to a

foreign income tax paid or accrued by a section 902 corporation, such tax shall not be taken into account—

“(1) for purposes of section 902 or 960, or

“(2) for purposes of determining earnings and profits under section 964(a), before the taxable year in which the related income is taken into account under this chapter by such section 902 corporation or a domestic corporation which meets the ownership requirements of subsection (a) or (b) of section 902 with respect to such section 902 corporation.

“(c) SPECIAL RULES.—For purposes of this section—

“(1) APPLICATION TO PARTNERSHIPS, ETC.—In the case of a partnership, subsections (a) and (b) shall be applied at the partner level. Except as otherwise provided by the Secretary, a rule similar to the rule of the preceding sentence shall apply in the case of any S corporation or trust.

“(2) TREATMENT OF FOREIGN TAXES AFTER SUSPENSION.—In the case of any foreign income tax not taken into account by reason of subsection (a) or (b), except as otherwise provided by the Secretary, such tax shall be so taken into account in the taxable year referred to in such subsection (other than for purposes of section 986(a)) as a foreign income tax paid or accrued in such taxable year.

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

“(1) FOREIGN TAX CREDIT SPLITTING EVENT.—There is a foreign tax credit splitting event with respect to a foreign income tax if the related income is (or will be) taken into account under this chapter by a covered person.

“(2) FOREIGN INCOME TAX.—The term ‘foreign income tax’ means any income, war profits, or excess profits tax paid or accrued to any foreign country or to any possession of the United States.

“(3) RELATED INCOME.—The term ‘related income’ means, with respect to any portion of any foreign income tax, the income (or, as appropriate, earnings and profits) to which such portion of foreign income tax relates.

“(4) COVERED PERSON.—The term ‘covered person’ means, with respect to any person who pays or accrues a foreign income tax (hereafter in this paragraph referred to as the ‘payor’)—

“(A) any entity in which the payor holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value),

“(B) any person which holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value) in the payor,

“(C) any person which bears a relationship to the payor described in section 267(b) or 707(b), and

“(D) any other person specified by the Secretary for purposes of this paragraph.

“(5) SECTION 902 CORPORATION.—The term ‘section 902 corporation’ means any foreign corporation with respect to which one or more domestic corporations meets the ownership requirements of subsection (a) or (b) of section 902.

“(e) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provides—

“(1) appropriate exceptions from the provisions of this section, and

“(2) for the proper application of this section with respect to hybrid instruments.”.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 909. Suspension of taxes and credits until related income taken into account.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) foreign income taxes (as defined in section 909(d) of the Internal Revenue Code of 1986, as added by this section) paid or accrued in taxable years beginning after December 31, 2010; and

(2) foreign income taxes (as so defined) paid or accrued by a section 902 corporation (as so defined) in taxable years beginning on or before such date (and not deemed paid under section 902(a) or 960 of such Code on or before such date), but only for purposes of applying sections 902 and 960 with respect to periods after such date.

Section 909(b)(2) of the Internal Revenue Code of 1986, as added by this section, shall not apply to foreign income taxes described in paragraph (2).

DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS

SEC. 212.

(a) IN GENERAL.—Section 901 of the Internal Revenue Code of 1986 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS.—

“(1) IN GENERAL.—In the case of a covered asset acquisition, the disqualified portion of any foreign income tax determined with respect to the income or gain attributable to the relevant foreign assets—

“(A) shall not be taken into account in determining the credit allowed under subsection (a), and

“(B) in the case of a foreign income tax paid by a section 902 corporation (as defined in section 909(d)(5)), shall not be taken into account for purposes of section 902 or 960.

“(2) COVERED ASSET ACQUISITION.—For purposes of this section, the term ‘covered asset acquisition’ means—

“(A) a qualified stock purchase (as defined in section 338(d)(3)) to which section 338(a) applies,

“(B) any transaction which—

“(i) is treated as an acquisition of assets for purposes of this chapter, and

“(ii) is treated as the acquisition of stock of a corporation (or is disregarded) for purposes of the foreign income taxes of the relevant jurisdiction,

“(C) any acquisition of an interest in a partnership which has an election in effect under section 754, and

“(D) to the extent provided by the Secretary, any other similar transaction.

“(3) DISQUALIFIED PORTION.—For purposes of this section—

“(A) IN GENERAL.—The term ‘disqualified portion’ means, with respect to any covered asset acquisition, for any taxable year, the ratio (expressed as a percentage) of—

“(i) the aggregate basis differences (but not below zero) allocable to such taxable year under subparagraph (B) with respect to all relevant foreign assets, divided by

“(ii) the income on which the foreign income tax referred to in paragraph (1) is determined (or, if the taxpayer fails to substantiate such income to the satisfaction of the Secretary, such income shall be determined by dividing the amount of such foreign income tax by the highest marginal tax rate applicable to such income in the relevant jurisdiction).

“(B) ALLOCATION OF BASIS DIFFERENCE.—For purposes of subparagraph (A)(i)—

“(i) IN GENERAL.—The basis difference with respect to any relevant foreign asset shall be allocated to taxable years using the applicable cost recovery method under this chapter.

“(ii) SPECIAL RULE FOR DISPOSITION OF ASSETS.—Except as otherwise provided by the Secretary, in the case of the disposition of any relevant foreign asset—

“(I) the basis difference allocated to the taxable year which includes the date of such disposition shall be the excess of the basis difference with respect to such asset over the aggregate basis difference with respect to such asset which has been allocated under clause (i) to all prior taxable years, and

“(II) no basis difference with respect to such asset shall be allocated under clause (i) to any taxable year thereafter.

“(C) BASIS DIFFERENCE.—

“(i) IN GENERAL.—The term ‘basis difference’ means, with respect to any relevant foreign asset, the excess of—

“(I) the adjusted basis of such asset immediately after the covered asset acquisition, over

“(II) the adjusted basis of such asset immediately before the covered asset acquisition.

“(ii) BUILT-IN LOSS ASSETS.—In the case of a relevant foreign asset with respect to which the amount described in clause (i)(II) exceeds the amount described in clause (i)(I), such excess shall be taken into account under this subsection as a basis difference of a negative amount.

“(iii) SPECIAL RULE FOR SECTION 338 ELECTIONS.—In the case of a covered asset acquisition described in paragraph (2)(A), the covered asset acquisition shall be treated for purposes of this subparagraph as occurring at the close of the acquisition date (as defined in section 338(h)(2)).

“(4) RELEVANT FOREIGN ASSETS.—For purposes of this section, the term ‘relevant foreign asset’ means, with respect to any covered asset acquisition, any asset (including any goodwill, going concern value, or other intangible) with respect to such acquisition if income, deduction, gain, or loss attributable to such asset is taken into account in determining the foreign income tax referred to in paragraph (1).

“(5) FOREIGN INCOME TAX.—For purposes of this section, the term ‘foreign income tax’ means any income, war profits, or excess profits tax paid or accrued to any foreign country or to any possession of the United States.

“(6) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

“(7) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including to exempt from the application of this subsection certain covered asset acquisitions, and relevant foreign assets with respect to which the basis difference is de minimis.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to covered asset acquisitions (as defined in section 901(m)(2) of the Internal Revenue Code of 1986, as added by this section) after December 31, 2010.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any covered asset acquisition (as so defined) with respect to which the transferor and the transferee are not related if such acquisition is—

(A) made pursuant to a written agreement which was binding on January 1, 2011, and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before July 29, 2010, or

(C) described on or before January 1, 2011, in a public announcement or in a filing with the Securities and Exchange Commission.

(3) RELATED PERSONS.—For purposes of this subsection, a person shall be treated as related to another person if the relationship between such persons is described in section 267 or 707(b) of the Internal Revenue Code of 1986.

SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATION, ETC., TO ITEMS RESOURCED UNDER TREATIES

#### SEC. 213.

(a) IN GENERAL.—Subsection (d) of section 904 of the Internal Revenue Code of 1986 is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

“(6) SEPARATE APPLICATION TO ITEMS RESOURCED UNDER TREATIES.—

“(A) IN GENERAL.—If—

“(i) without regard to any treaty obligation of the United States, any item of income would be treated as derived from sources within the United States,

“(ii) under a treaty obligation of the United States, such item would be treated as arising from sources outside the United States, and

“(iii) the taxpayer chooses the benefits of such treaty obligation,

subsections (a), (b), and (c) of this section and sections 902, 907, and 960 shall be applied separately with respect to each such item.

“(B) COORDINATION WITH OTHER PROVISIONS.—This paragraph shall not apply to any item of income to which subsection (h)(10) or section 865(h) applies.

“(C) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance which provides that related items of income may be aggregated for purposes of this paragraph.”.

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

LIMITATION ON THE AMOUNT OF FOREIGN TAXES DEEMED PAID WITH RESPECT TO SECTION 956 INCLUSIONS

#### SEC. 214.

(a) IN GENERAL.—Section 960 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(c) LIMITATION WITH RESPECT TO SECTION 956 INCLUSIONS.—

“(1) IN GENERAL.—If there is included under section 951(a)(1)(B) in the gross income of a domestic corporation any amount attributable to the earnings and profits of a foreign corporation which is a member of a qualified group (as defined in section 902(b)) with respect to the domestic corporation, the amount of any foreign income taxes deemed to have been paid during the taxable year by such domestic corporation under section 902 by reason of subsection (a) with respect to such inclusion in gross income shall not exceed the amount of the foreign income taxes which would have been deemed to have been paid during the taxable year by such domestic corporation if cash in an amount equal to the amount of such inclusion in gross income were distributed as a series of distributions (determined without regard to any foreign taxes which would be imposed on an actual distribution) through the chain of ownership which begins with such foreign corporation and ends with such domestic corporation.

“(2) AUTHORITY TO PREVENT ABUSE.—The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance

which prevent the inappropriate use of the foreign corporation's foreign income taxes not deemed paid by reason of paragraph (1).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to acquisitions of United States property (as defined in section 956(c) of the Internal Revenue Code of 1986) after December 31, 2010.

SPECIAL RULE WITH RESPECT TO CERTAIN REDEMPTIONS BY FOREIGN SUBSIDIARIES

#### SEC. 215.

(a) IN GENERAL.—Paragraph (5) of section 304(b) of the Internal Revenue Code of 1986 is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) SPECIAL RULE IN CASE OF FOREIGN ACQUIRING CORPORATION.—In the case of any acquisition to which subsection (a) applies in which the acquiring corporation is a foreign corporation, no earnings and profits shall be taken into account under paragraph (2)(A) (and subparagraph (A) shall not apply) if more than 50 percent of the dividends arising from such acquisition (determined without regard to this subparagraph) would neither—

“(i) be subject to tax under this chapter for the taxable year in which the dividends arise, nor

“(ii) be includible in the earnings and profits of a controlled foreign corporation (as defined in section 957 and without regard to section 953(c)).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions after the date of the enactment of this Act.

MODIFICATION OF AFFILIATION RULES FOR PURPOSES OF RULES ALLOCATING INTEREST EXPENSE

#### SEC. 216.

(a) IN GENERAL.—Subparagraph (A) of section 864(e)(5) of the Internal Revenue Code of 1986 is amended by adding at the end the following: “Notwithstanding the preceding sentence, a foreign corporation shall be treated as a member of the affiliated group if—

“(i) more than 50 percent of the gross income of such foreign corporation for the taxable year is effectively connected with the conduct of a trade or business within the United States, and

“(ii) at least 80 percent of either the vote or value of all outstanding stock of such foreign corporation is owned directly or indirectly by members of the affiliated group (determined with regard to this sentence).”.

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

TERMINATION OF SPECIAL RULES FOR INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS

#### SEC. 217.

(a) IN GENERAL.—Paragraph (1) of section 861(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) GRANDFATHER RULE WITH RESPECT TO WITHHOLDING ON INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS.—

(1) IN GENERAL.—Subparagraph (B) of section 871(i)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

“(B) The active foreign business percentage of—

“(i) any dividend paid by an existing 80/20 company, and

“(ii) any interest paid by an existing 80/20 company.”.

(2) DEFINITIONS AND SPECIAL RULES.—Section 871 of such Code is amended by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and by inserting after subsection (k) the following new subsection:

“(l) RULES RELATING TO EXISTING 80/20 COMPANIES.—For purposes of this subsection and subsection (i)(2)(B)—

“(1) EXISTING 80/20 COMPANY.—

“(A) IN GENERAL.—The term ‘existing 80/20 company’ means any corporation if—

“(i) such corporation met the 80-percent foreign business requirements of section 861(c)(1) (as in effect before the date of the enactment of this subsection) for such corporation's last taxable year beginning before January 1, 2011,

“(ii) such corporation meets the 80-percent foreign business requirements of subparagraph (B) with respect to each taxable year after the taxable year referred to in clause (i), and

“(iii) there has not been an addition of a substantial line of business with respect to such corporation after the date of the enactment of this subsection.

“(B) FOREIGN BUSINESS REQUIREMENTS.—

“(i) IN GENERAL.—Except as provided in clause (iv), a corporation meets the 80-percent foreign business requirements of this subparagraph if it is shown to the satisfaction of the Secretary that at least 80 percent of the gross income from all sources of such corporation for the testing period is active foreign business income.

“(ii) ACTIVE FOREIGN BUSINESS INCOME.—For purposes of clause (i), the term ‘active foreign business income’ means gross income which—

“(I) is derived from sources outside the United States (as determined under this subsection), and

“(II) is attributable to the active conduct of a trade or business in a foreign country or possession of the United States.

“(iii) TESTING PERIOD.—For purposes of this subsection, the term ‘testing period’ means the 3-year period ending with the close of the taxable year of the corporation preceding the payment (or such part of such period as may be applicable). If the corporation has no gross income for such 3-year period (or part thereof), the testing period shall be the taxable year in which the payment is made.

“(iv) TRANSITION RULE.—In the case of a taxable year for which the testing period includes 1 or more taxable years beginning before January 1, 2011—

“(I) a corporation meets the 80-percent foreign business requirements of this subparagraph if and only if the weighted average of—

“(aa) the percentage of the corporation's gross income from all sources that is active foreign business income (as defined in subparagraph (B) of section 861(c)(1) (as in effect before the date of the enactment of this subsection)) for the portion of the testing period that includes taxable years beginning before January 1, 2011, and

“(bb) the percentage of the corporation's gross income from all sources that is active foreign business income (as defined in clause (ii) of this subparagraph) for the portion of the testing period, if any, that includes taxable years beginning on or after January 1, 2011,

is at least 80 percent, and

“(II) the active foreign business percentage for such taxable year shall equal the weighted average percentage determined under subclause (I).

“(2) ACTIVE FOREIGN BUSINESS PERCENTAGE.—Except as provided in paragraph (1)(B)(iv), the term ‘active foreign business percentage’ means, with respect to any existing 80/20 company, the percentage which—

“(A) the active foreign business income of such company for the testing period, is of

“(B) the gross income of such company for the testing period from all sources.

“(3) AGGREGATION RULES.—For purposes of applying paragraph (1) (other than subparagraphs (A)(i) and (B)(iv) thereof) and paragraph (2)—

“(A) IN GENERAL.—The corporation referred to in paragraph (1)(A) and all of such corporation’s subsidiaries shall be treated as one corporation.

“(B) SUBSIDIARIES.—For purposes of subparagraph (A), the term ‘subsidiary’ means any corporation in which the corporation referred to in subparagraph (A) owns (directly or indirectly) stock meeting the requirements of section 1504(a)(2) (determined by substituting ‘50 percent’ for ‘80 percent’ each place it appears and without regard to section 1504(b)(3)).

“(4) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provide for the proper application of the aggregation rules described in paragraph (3).”

(c) CONFORMING AMENDMENTS.—

(1) Section 861 of the Internal Revenue Code of 1986 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Paragraph (9) of section 904(h) of such Code is amended to read as follows:

“(9) TREATMENT OF CERTAIN DOMESTIC CORPORATIONS.—In the case of any dividend treated as not from sources within the United States under section 861(a)(2)(A), the corporation paying such dividend shall be treated for purposes of this subsection as a United States-owned foreign corporation.”

(3) Subsection (c) of section 2104 of such Code is amended in the last sentence by striking “or to a debt obligation of a domestic corporation” and all that follows and inserting a period.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(2) GRANDFATHER RULE FOR OUTSTANDING DEBT OBLIGATIONS.—

(A) IN GENERAL.—The amendments made by this section shall not apply to payments of interest on obligations issued before the date of the enactment of this Act.

(B) EXCEPTION FOR RELATED PARTY DEBT.—Subparagraph (A) shall not apply to any interest which is payable to a related person (determined under rules similar to the rules of section 954(d)(3)).

(C) SIGNIFICANT MODIFICATIONS TREATED AS NEW ISSUES.—For purposes of subparagraph (A), a significant modification of the terms of any obligation (including any extension of the term of such obligation) shall be treated as a new issue.

LIMITATION ON EXTENSION OF STATUTE OF LIMITATIONS FOR FAILURE TO NOTIFY SECRETARY OF CERTAIN FOREIGN TRANSFERS

SEC. 218.

(a) IN GENERAL.—Paragraph (8) of section 6501(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking “In the case of any information” and inserting the following:

“(A) IN GENERAL.—In the case of any information”; and

(2) by adding at the end the following:

“(B) APPLICATION TO FAILURES DUE TO REASONABLE CAUSE.—If the failure to furnish the information referred to in subparagraph (A) is due to reasonable cause and not willful neglect, subparagraph (A) shall apply only to the item or items related to such failure.”

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 513 of the Hiring Incentives to Restore Employment Act.

ELIMINATION OF ADVANCE REFUNDABILITY OF EARNED INCOME CREDIT

SEC. 219.

(a) IN GENERAL.—The following provisions of the Internal Revenue Code of 1986 are repealed:

(1) Section 3507.

(2) Subsection (g) of section 32.

(3) Paragraph (7) of section 6051(a).

(b) CONFORMING AMENDMENTS.—

(1) Section 6012(a) of the Internal Revenue Code of 1986 is amended by striking paragraph (8) and by redesignating paragraph (9) as paragraph (8).

(2) Section 6302 of such Code is amended by striking subsection (i).

(3) The table of sections for chapter 25 of such Code is amended by striking the item relating to section 3507.

(c) EFFECTIVE DATE.—The repeals and amendments made by this section shall apply to taxable years beginning after December 31, 2010.

### TITLE III RESCISSIONS

SEC. 301. There is rescinded from accounts under the heading “Department of Agriculture—Rural Development”, \$122,000,000, to be derived from the unobligated balances of funds that were provided for such accounts in prior appropriation Acts (other than Public Law 111-5) and that were designated by the Congress in such Acts as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 302. Of the funds made available for “Department of Commerce—National Telecommunications and Information Administration—Broadband Technology Opportunities Program” in title II of division A of Public Law 111-5, \$302,000,000 are rescinded.

SEC. 303. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are rescinded from the following accounts in the specified amounts:

“Aircraft Procurement, Army, 2008/2010”, \$21,000,000;

“Procurement of Weapons and Tracked Combat Vehicles, Army, 2008/2010”, \$21,000,000;

“Procurement of Ammunition, Army, 2008/2010”, \$17,000,000;

“Other Procurement, Army, 2008/2010”, \$75,000,000;

“Weapons Procurement, Navy, 2008/2010”, \$26,000,000;

“Other Procurement, Navy, 2008/2010”, \$42,000,000;

“Procurement, Marine Corps, 2008/2010”, \$13,000,000;

“Aircraft Procurement, Air Force, 2008/2010”, \$102,000,000;

“Missile Procurement, Air Force, 2008/2010”, \$28,000,000;

“Procurement of Ammunition, Air Force, 2008/2010”, \$7,000,000;

“Other Procurement, Air Force, 2008/2010”, \$130,000,000;

“Procurement, Defense-Wide, 2008/2010”, \$33,000,000;

“Research, Development, Test and Evaluation, Army, 2009/2010”, \$76,000,000;

“Research, Development, Test and Evaluation, Air Force, 2009/2010”, \$164,000,000;

“Research, Development, Test and Evaluation, Defense-Wide, 2009/2010”, \$137,000,000;

“Operation, Test and Evaluation, Defense, 2009/2010”, \$1,000,000;

“Operation and Maintenance, Army, 2010”, \$154,000,000;

“Operation and Maintenance, Navy, 2010”, \$155,000,000;

“Operation and Maintenance, Marine Corps, 2010”, \$25,000,000;

“Operation and Maintenance, Air Force, 2010”, \$155,000,000;

“Operation and Maintenance, Defense-Wide, 2010”, \$126,000,000;

“Operation and Maintenance, Army Reserve, 2010”, \$12,000,000;

“Operation and Maintenance, Navy Reserve, 2010”, \$6,000,000;

“Operation and Maintenance, Marine Corps Reserve, 2010”, \$1,000,000;

“Operation and Maintenance, Air Force Reserve, 2010”, \$14,000,000;

“Operation and Maintenance, Army National Guard, 2010”, \$28,000,000; and

“Operation and Maintenance, Air National Guard, 2010”, \$27,000,000.

SEC. 304. (a) Of the funds appropriated in the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), the following funds are rescinded from the following accounts in the specified amounts:

“Operation and Maintenance, Army, 2009/2010”, \$113,500,000;

“Operation and Maintenance, Navy, 2009/2010”, \$34,000,000;

“Operation and Maintenance, Marine Corps, 2009/2010”, \$7,000,000;

“Operation and Maintenance, Air Force, 2009/2010”, \$61,000,000;

“Operation and Maintenance, Army Reserve, 2009/2010”, \$3,500,000;

“Operation and Maintenance, Navy Reserve, 2009/2010”, \$8,000,000;

“Operation and Maintenance, Marine Corps Reserve, 2009/2010”, \$1,000,000;

“Operation and Maintenance, Air Force Reserve, 2009/2010”, \$2,000,000;

“Operation and Maintenance, Army National Guard, 2009/2010”, \$1,000,000;

“Operation and Maintenance, Air National Guard, 2009/2010”, \$2,500,000; and

“Defense Health Program, 2009/2010”, \$27,000,000.

(b) Of the funds appropriated in the Supplemental Appropriations Act, 2008 (Public Law 110-252), the following funds are rescinded from the following account in the specified amount:

“Procurement, Marine Corps, 2009/2011”, \$122,000,000.

SEC. 305. (a) Of the funds appropriated for “Procurement of Weapons and Tracked Combat Vehicles, Army” in title III of division A of public Law 111-118, \$116,000,000 are rescinded.

(b) Of the funds appropriated for “Other Procurement, Army” in title III of division C of Public Law 110-329, \$87,000,000 are rescinded.

SEC. 306. There are rescinded the following amounts from the specified accounts:

(1) \$20,000,000, to be derived from unobligated balances of funds made available in prior appropriations Acts under the heading “Department of Energy—Nuclear Energy”.

SEC. 307. Of the unobligated balances of funds provided under the heading “Nuclear Regulatory Commission” in prior appropriations Acts, \$18,000,000 is permanently rescinded.

SEC. 308. Of the funds made available for “Department of Energy—Title 17—Innovative Technology Loan Guarantee Program” in title III of division A of Public Law 111-5, \$1,500,000,000 are rescinded.

SEC. 309. There are permanently rescinded from “General Services Administration—Real Property Activities—Federal Building Fund”, \$75,000,000 from Rental of Space and \$25,000,000 from Building Operations, to be derived from unobligated balances that were provided in previous appropriations Acts.

SEC. 310. Of the funds made available for “Bureau of Indian Affairs—Indian Guaranteed Loan Program Account” in title VII of division A of Public Law 111-5, \$6,820,000 are rescinded.

SEC. 311. Of the funds made available for "Environmental Protection Agency—Hazardous Substance Superfund" in title VII of division A of Public Law 111-5, \$2,600,000 are rescinded.

SEC. 312. Of the funds made available for "Environmental Protection Agency—Leaking Underground Storage Tank Trust Fund Program" in title VII of division A of Public Law 111-5, \$9,200,000 are rescinded.

SEC. 313. Of the funds made available for transfer in title VII of division A of Public Law 111-5, "Environmental Protection Agency—Environmental Programs and Management", \$10,000,000 are rescinded.

SEC. 314. Of the funds made available for "National Park Service—Construction" in chapter 7 of division B of Public Law 108-324, \$4,800,000 are rescinded.

SEC. 315. Of the funds made available for "National Park Service—Construction" in chapter 5 of title II of Public Law 109-234, \$6,400,000 are rescinded.

SEC. 316. Of the funds made available for "Fish and Wildlife Service—Construction" in chapter 6 of title I of division B of Public Law 110-329, \$3,000,000 are rescinded.

SEC. 317. The unobligated balance of funds appropriated in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995 (Public Law 103-333; 108 Stat. 2574) under the heading "Public Health and Social Services Emergency Fund" is rescinded.

SEC. 318. Of the funds appropriated for the Commissioner of Social Security under section 2201(e)(2)(B) in title II of division B of Public Law 111-5, \$47,000,000 are rescinded.

SEC. 319. Of the funds appropriated in part VI of subtitle I of title II of division B of Public Law 111-5, \$110,000,000 are rescinded, to be derived only from the amount provided under section 1899K(b) of such title.

SEC. 320. Of the funds appropriated for "Department of Education—Education for the Disadvantaged" in division D of Public Law 111-117, \$50,000,000 are rescinded, to be derived only from the amount provided for a comprehensive literacy development and education program under section 1502 of the Elementary and Secondary Education Act of 1965.

SEC. 321. Of the funds appropriated for "Department of Education—Student Aid Administration" in division D of Public Law 111-117, \$82,000,000 are rescinded.

SEC. 322. Of the funds appropriated for "Department of Education—Innovation and Improvement" in division D of Public Law 111-117, \$10,700,000 are rescinded, to be derived only from the amount provided to carry out subpart 8 of part D of title V of the Elementary and Secondary Education Act of 1965.

SEC. 323. Of the unobligated balances available under "Department of Defense, Military Construction, Army" from prior appropriations Acts, \$340,000,000 is rescinded: *Provided*, That no funds may be rescinded from amounts that were designated by the Congress as an emergency requirement or as appropriations for overseas deployments and other activities pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 324. Of the unobligated balances available under "Department of Defense, Military Construction, Navy and Marine Corps" from prior appropriations Acts, \$110,000,000 is rescinded: *Provided*, That no funds may be rescinded from amounts that were designated by the Congress as an emergency requirement or as appropriations for overseas deployments and other activities pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 325. Of the unobligated balances available under "Department of Defense, Military

Construction, Air Force" from prior appropriations Acts, \$50,000,000 is rescinded: *Provided*, That no funds may be rescinded from amounts that were designated by the Congress as an emergency requirement or as appropriations for overseas deployments and other activities pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 326. Of the funds made available for the General Operating Expenses account of the Department of Veterans Affairs in section 2201(e)(4)(A)(ii) of division B of Public Law 111-5 (123 Stat. 454; 26 U.S.C. 6428 note), \$6,100,000 are rescinded.

SEC. 327. Of the amount appropriated or otherwise made available by title X of division A of Public Law 111-5, the American Recovery and Reinvestment Act of 2009, under the heading "Departmental Administration, Information Technology Systems" \$5,000,000 is hereby rescinded.

SEC. 328. (a) MILLENNIUM CHALLENGE CORPORATION.—Of the unobligated balances available under the heading "Millennium Challenge Corporation" in title III of division H of Public Law 111-8 and under such heading in prior Acts making appropriations for the Department of State, foreign operations, and related programs, \$50,000,000 are rescinded.

(b) CIVILIAN STABILIZATION INITIATIVE.—

(1) DEPARTMENT OF STATE.—Of the unobligated balances available under the heading "Department of State—Administration of Foreign Affairs—Civilian Stabilization Initiative" in prior Acts making appropriations for the Department of State, foreign operations, and related programs, \$40,000,000 are rescinded.

(2) UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT.—Of the unobligated balances available under the heading "United States Agency for International Development—Funds Appropriated to the President—Civilian Stabilization Initiative" in prior Acts making appropriations for the Department of State, foreign operations, and related programs, \$30,000,000 are rescinded.

SEC. 329. There are rescinded the following amounts from the specified accounts:

(1) "Department of Transportation—Federal Aviation Administration—Facilities and Equipment", \$2,182,544, to be derived from unobligated balances made available under this heading in Public Law 108-324.

(2) "Department of Transportation—Federal Aviation Administration—Facilities and Equipment", \$5,705,750, to be derived from unobligated balances made available under this heading in Public Law 109-148.

SEC. 330. Of the unobligated balances of funds apportioned to each State under chapter 1 of title 23, United States Code, \$2,200,000,000 are permanently rescinded: *Provided*, That such rescission shall be distributed among the States in the same proportion as the funds subject to such rescission were apportioned to the States for fiscal year 2009: *Provided further*, That such rescission shall not apply to the funds distributed in accordance with sections 130(f) and 104(b)(5) of title 23, United States Code; sections 133(d)(1) and 163 of such title, as in effect on the day before the date of enactment of Public Law 109-59; and the first sentence of section 133(d)(3)(A) of such title: *Provided further*, That notwithstanding section 1132 of Public Law 110-140, in administering the rescission required under this heading, the Secretary of Transportation shall allow each State to determine the amount of the required rescission to be drawn from the programs to which the rescission applies.

TITLE IV  
BUDGETARY PROVISIONS  
BUDGETARY PROVISIONS

SEC. 401. The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled "Budgetary Effects of PAYGO Legislation" for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses.

**SA 4576.** Mr. REID proposed an amendment to amendment SA 4575 proposed by Mr. REID (for Mrs. MURRAY (for herself, Mr. HARKIN, Mr. REID, and Mr. SCHUMER)) to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; as follows:

At the end of the amendment, insert the following:

The provisions of this Act shall become effective 5 days after enactment.

**SA 4577.** Mr. REID proposed an amendment to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; as follows:

At the end insert the following:

The Appropriations Committee is requested to study the impact of any delay in providing funding to educators across the country.

**SA 4578.** Mr. REID proposed an amendment to amendment SA 4577 proposed by Mr. REID to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; as follows:

At the end, insert the following:

"and include any data on the impact on local school districts."

**SA 4579.** Mr. REID proposed an amendment to amendment SA 4578 proposed by Mr. REID to the amendment SA 4577 proposed by Mr. REID to the bill H.R. 1586, to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide for modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes; as follows:

At the end, insert the following:

"and the impact on the local community."

**SA 4580.** Mr. JOHNSON submitted an amendment intended to be proposed by

him to the bill H.R. 5875, making emergency supplemental appropriations for border security for the fiscal year ending September 30, 2010, and for other purposes; which was ordered to lie on the table; as follows:

Insert after section 104 the following:

SEC. 105. Section 902 of chapter 9 of title I of the Supplemental Appropriations Act, 2010 (Public Law 111-212) is repealed.

**SA 4581.** Mr. DODD (for Mrs. BOXER) proposed an amendment to the bill S. 1055, to grant the congressional gold medal, collectively, to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II; as follows:

On page 4, after line 24, insert the following:

(17) The Military Intelligence Service (in this Act referred to as the "MIS") was made up of about 6,000 Japanese American soldiers who conducted highly classified intelligence operations that proved to be vital to United States military successes in the Pacific Theatre.

(18) As they were discharged from the Army, MIS soldiers were told not to discuss their wartime work, due to its sensitive nature, and their contributions were not known until passage of the Freedom of Information Act in 1974.

(19) MIS soldiers were attached individually or in small groups to United States and Allied combat units, where they intercepted radio transmissions, translated enemy documents, interrogated enemy prisoners of war, volunteered for reconnaissance and covert intelligence missions, and persuaded enemy combatants to surrender.

(20) Their contributions continued during the Allied postwar occupation of Japan, and MIS linguistic skills and understanding of Japanese customs were invaluable to occupation forces as they assisted Japan in a peaceful transition to a new, democratic form of government.

On page 5, line 6, strike "and" and insert a comma.

On page 5, line 7, insert "and the Military Intelligence Service," before "United States".

On page 5, line 19, strike "and" and insert a comma.

On page 5, line 19, insert "and the Military Intelligence Service," before "United".

On page 6, line 3, strike "and" and insert a comma.

On page 6, line 4, insert "and the Military Intelligence Service," before "United States".

On page 6, line 6, strike "Under" and all that follows through "Secretary" on line 7 and insert "The Secretary".

On page 6, strike lines 15 through 17 and insert the following:

**"SEC. 5. AUTHORITY TO USE FUNDS; PROCEEDS OF SALE.**

"(a) AUTHORITY TO USE FUNDS.—There is".

## NOTICE OF HEARING

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a business meeting has been scheduled before the Committee on Energy and Natural Resources. The business meeting will be held on Thursday, August 5, 2010, at 9:30 a.m., in room

SD-366 of the Dirksen Senate Office Building.

The purpose of the business meeting is to consider pending legislation.

For further information, please contact Sam Fowler at (202) 224-7571 or Amanda Kelly at (202) 224-6836.

## UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. DODD. Mr. President, as in executive session, I ask unanimous consent that at 9:30 a.m., Tuesday, August 3, immediately after the opening of the Senate, the Senate proceed to executive session to consider Calendar No. 1001, the nomination of Elena Kagan to be an Associate Justice of the Supreme Court, and that during Tuesday's session, the time be divided as follows: Chairman LEAHY, first 30 minutes; Senator SESSIONS, second 30 minutes; with the time from 10:30 to 11 equally divided and controlled between the leaders or their designees; the time from 11 to 12:30 equally divided and controlled, with the majority controlling the first 45 minutes; the time from 2:15 to 8:15 p.m. divided in 1 hour alternating blocks, with the majority controlling the first block, with any additional time beyond 8:15 p.m. continuing to be divided in 1 hour alternating blocks of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

## GRANTING THE CONGRESSIONAL GOLD MEDAL

Mr. DODD. Mr. President, I ask unanimous consent that the Banking Committee be discharged from further consideration of S. 1055 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1055) to grant the Congressional Gold Medal collectively to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II.

The PRESIDING OFFICER. There being no objection, the Senate proceeded to consider the bill.

Mr. DODD. Mr. President, I ask unanimous consent that a Boxer amendment, which is at the desk, be agreed to; the bill, as amended, be read a third time and passed; the motion to reconsider be laid upon the table, with no intervening action or debate and that any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4581) was agreed to, as follows:

(Purpose: To include members of the Military Intelligence Service, and for other purposes)

On page 4, after line 24, insert the following:

(17) The Military Intelligence Service (in this Act referred to as the "MIS") was made up of about 6,000 Japanese American soldiers who conducted highly classified intelligence operations that proved to be vital to United States military successes in the Pacific Theatre.

(18) As they were discharged from the Army, MIS soldiers were told not to discuss their wartime work, due to its sensitive nature, and their contributions were not known until passage of the Freedom of Information Act in 1974.

(19) MIS soldiers were attached individually or in small groups to United States and Allied combat units, where they intercepted radio transmissions, translated enemy documents, interrogated enemy prisoners of war, volunteered for reconnaissance and covert intelligence missions, and persuaded enemy combatants to surrender.

(20) Their contributions continued during the Allied postwar occupation of Japan, and MIS linguistic skills and understanding of Japanese customs were invaluable to occupation forces as they assisted Japan in a peaceful transition to a new, democratic form of government.

On page 5, line 6, strike "and" and insert a comma.

On page 5, line 7, insert "and the Military Intelligence Service," before "United States".

On page 5, line 19, strike "and" and insert a comma.

On page 5, line 19, insert "and the Military Intelligence Service," before "United".

On page 6, line 3, strike "and" and insert a comma.

On page 6, line 4, insert "and the Military Intelligence Service," before "United States".

On page 6, line 6, strike "Under" and all that follows through "Secretary" on line 7 and insert "The Secretary".

On page 6, strike lines 15 through 17 and insert the following:

**"SEC. 5. AUTHORITY TO USE FUNDS; PROCEEDS OF SALE.**

"(a) AUTHORITY TO USE FUNDS.—There is".

The bill (S. 1055), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1055

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

## SECTION 1. FINDINGS.

Congress makes the following findings:

(1) On January 19, 1942, 6 weeks after the December 7, 1941, attack on Pearl Harbor by the Japanese Navy, the United States Army discharged all Japanese-Americans in the Reserve Officers Training Corps and changed their draft status to "4C"—the status of "enemy alien" which is ineligible for the draft.

(2) On January 23, 1942, Japanese-Americans in the military on the mainland were segregated out of their units.

(3) Further, on May 3, 1942, General John L. DeWitt issued Civilian Exclusion Order No. 346, ordering all people of Japanese ancestry, whether citizens or noncitizens, to report to assembly centers, where they would live until being moved to permanent relocation centers.

(4) On June 5, 1942, 1,432 predominantly Nisei (second generation Americans of Japanese ancestry) members of the Hawaii Provisional Infantry Battalion were shipped from the Hawaiian Islands to Oakland, CA, where the 100th Infantry Battalion was activated on June 12, 1942, and then shipped to train at Camp McCoy, Wisconsin.