

Crediting of proceeds.

Restriction.

Amending agreement.

Conditions of amended agreement.

Additional amendments or new agreements.

system to the commission under such terms and conditions and for such compensation as the Secretary and the commission shall determine to be proper. Of the proceeds received for any such water so supplied, an amount representing the cost to the Government of supplying such water may be credited to the appropriation or appropriations currently available for the supply of such water and any remaining balance shall be covered into the Treasury to the credit of miscellaneous receipts. No agreement or amendment of an agreement shall be entered into by the Secretary of the Navy under the authority of this section or section 3 of this Act until such time as the Secretary or a representative of the Secretary designated by him has consulted with the Armed Services Committees of the Senate and of the House of Representatives with respect to all details of such agreement or amendment of an agreement.

SEC. 3. In order to safeguard the rights of the commission and the Reconstruction Finance Corporation pertinent to agreements heretofore made by the commission in connection with the leasing of facilities for the distribution of water or in connection with the issuance of its bonds payable from the revenues from the sale of water, the commission and the Secretary of the Navy may, in lieu of canceling the agreement of March 18, 1941, and entering into a new agreement as provided in sections (1) and (2) of this Act, amend the agreement of March 18, 1941, to accomplish the purposes of this Act: *Provided*, That the amended agreement shall provide for the same conditions as are imposed by clauses (1), (2), and (3) of subsection (b) of section 1. From time to time, further amendments or new agreements regarding the water supply may be made, when deemed desirable by the Secretary and the commission, and that all other provisions of this Act shall be equally applicable in the event of amendment of the agreement of March 18, 1941, as in the event of its cancellation.

Approved October 25, 1949.

#### [CHAPTER 722]

#### AN ACT

October 25, 1949  
[S. 614]  
[Public Law 380]

To amend the Hospital Survey and Construction Act (title VI of the Public Health Service Act), to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes.

Hospital Survey and Construction Amendments of 1949.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Hospital Survey and Construction Amendments of 1949".

#### EXTENSION OF DURATION AND INCREASE IN AUTHORIZED APPROPRIATIONS

60 Stat. 1042.  
42 U. S. C. § 291d.  
*Post*, p. 900.

SEC. 2. (a) The first sentence of section 621 of the Public Health Service Act is amended to read as follows: "In order to assist the States in carrying out the purposes of section 601 (b), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1950, and for each of the five succeeding fiscal years, the sum of \$150,000,000 for the construction of public and other nonprofit hospitals; and there are further authorized to be appropriated for such construction the sums provided in section 624."

60 Stat. 1045.  
42 U. S. C., Supp. II, § 291g.  
*Post*, p. 901.

*Ante*, p. 289; *post*, p. 976.

(b) The paragraph "Grants for hospital construction" under the heading "Public Health Service" in the Federal Security Agency Appropriation Act, 1950, is amended by striking out "\$75,000,000" and inserting in lieu thereof "\$150,000,000".



## ADDITIONAL FEDERAL AID IN CONSTRUCTION OF HOSPITALS

SEC. 3. (a) Section 623 of the Public Health Service Act is amended by adding after subsection (d) the following new subsection:

"(e) The State plan may include standards for determination of the Federal share of the cost of projects approved in the State. Such standards shall provide equitably (and, to the extent practicable, on the basis of objective criteria) for variations between projects or classes of projects on the basis of the economic status of areas, relative need as between areas for additional hospital facilities, and other relevant factors. No such standards shall provide for a Federal share of more than  $66\frac{2}{3}$  per centum or less than  $33\frac{1}{3}$  per centum of the cost of construction of any project. The Surgeon General shall approve any such standards and any modifications thereof which comply with the provisions of this subsection."

(b) Sections 624 and 625 (b) of such Act are each amended by striking out " $33\frac{1}{3}$  per centum" and inserting in lieu thereof "the Federal share".

(c) Section 625 (e) of such Act is amended by striking out " $33\frac{1}{3}$  per centum of the then value of such hospital, as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital is situated" and inserting in lieu thereof the following: "an amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital is situated) of so much of the hospital as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects".

(d) Section 625 of such Act is amended by adding at the end thereof the following new subsection:

"(f) If the Surgeon General finds with respect to an application for a hospital project that—

"(1) the project is for the completion of a hospital the construction of which was commenced prior to the effective date of this subsection and without Federal aid under this title;

"(2) completion of construction is necessary for use of the completed portion as a hospital;

"(3) the State agency has certified that the applicant is unable, by use of all available funds and by exercise of reasonable effort in obtaining additional funds, to pay the non-Federal share (determined without regard to this subsection) of the cost of completing the hospital but will be able to complete construction with the additional Federal aid provided by this subsection;

"(4) the plans and specifications for the entire hospital are in accord with the regulations prescribed pursuant to section 622, or if not in accord with such regulations, meet substantially the objectives of such regulations;

"(5) the application meets all the requirements of subsection (a) of this section except in the respects covered by clauses (3) and (4) hereof and contains assurances applicable to the operation and maintenance of the entire hospital which meet the requirements of such subsection; and

"(6) the unobligated balance of the sum allotted to the State is equal to or greater than the Federal share of the estimated cost of construction of such project plus the additional amount specified below in this subsection;

he shall approve the application. Upon such approval the Federal share of the estimated cost of such project plus an additional amount

60 Stat. 1043.  
42 U. S. C. § 291f;  
Supp. II, § 291f.

60 Stat. 1045, 1046.  
42 U. S. C. § 291h (b);  
Supp. II, § 291g.  
Post, p. 901.

60 Stat. 1046.  
42 U. S. C. § 291h (e).

60 Stat. 1045.  
42 U. S. C. § 291h.

Findings in application for hospital project.

Contractual obligation of Federal Government.



not to exceed (1)  $33\frac{1}{3}$  per centum of the necessary cost to the applicant of the construction completed prior to such approval, or (2) the amount certified by the State agency as necessary to complete the construction of the hospital, whichever is less, shall constitute a contractual obligation of the Federal Government, and certifications for payment under subsection (b) of this section shall be on the basis of the Federal share plus such additional amount: *Provided*, That the total amount certified for payment shall not exceed the cost of construction of such project."

60 Stat. 1046.  
42 U. S. C. § 291h (b).  
*Ante*, p. 899.  
Limitation.

#### ADMINISTRATION OF STATE PLANS

60 Stat. 1047.  
42 U. S. C. § 291j (a).

SEC. 4. Section 632 (a) of such Act is amended by inserting after "under section 625," in clause (4) thereof the following: "or (5) that adequate State funds are not being provided annually for the direct administration of the State plan,".

#### STUDIES AND DEMONSTRATIONS RELATING TO COORDINATED USE OF HOSPITAL FACILITIES

60 Stat. 1046.  
42 U. S. C. §§ 291i-  
291m; Supp. II, § 291i  
*et seq.*

SEC. 5. Part D of title VI of such Act is amended by adding after section 635 the following new section:

#### "STUDIES AND DEMONSTRATIONS RELATING TO COORDINATED USE OF HOSPITAL FACILITIES

58 Stat. 691.  
42 U. S. C. § 241;  
Supp. II, § 241.

"SEC. 636. In carrying out the purposes of section 301 with respect to hospital facilities, the Surgeon General is authorized to conduct research, experiments, and demonstrations relating to the effective development and utilization of hospital services, facilities, and resources, and, after consultation with the Federal Hospital Council, to make grants-in-aid to States, political subdivisions, universities, hospitals, and other public and private nonprofit institutions or organizations for projects for the conduct of research, experiments, or demonstrations relating to the development, utilization, and coordination of hospital services, facilities, and resources. Any award made under this section for any such project in any fiscal year may include amounts for not to exceed the four succeeding fiscal years, and such amounts for such succeeding fiscal years shall constitute contractual obligations of the Federal Government: *Provided*, That the total expenditures for all such projects may not exceed \$1,200,000 in any fiscal year."

Limitation.

#### PURPOSE OF ACT

60 Stat. 1041.  
42 U. S. C. § 291.

SEC. 6. Section 601 of such Act is amended to read as follows:  
"SEC. 601. The purpose of this title is—

60 Stat. 1047.  
42 U. S. C. § 291i (e).

"(a) to assist the several States to inventory their existing hospitals (as defined in section 631 (e)), to survey the need for construction of hospitals, and to develop programs for construction of such public and other nonprofit hospitals as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing adequate hospital, clinic, and similar services to all their people;

"(b) to assist in the construction of public and other nonprofit hospitals in accordance with such programs; and

"(c) to authorize the Surgeon General to conduct, and make grants for the conduct of, research, experiments, and demonstrations relating to the effective development and utilization of hospital services, facilities, and resources, and to promote the



coordination of such experiments and demonstrations and the useful application of their results."

#### MINIMUM ALLOTMENT

SEC. 7. Section 624 of such Act is amended by striking out "\$100,000" and inserting in lieu thereof "\$200,000".

60 Stat. 1045.  
42 U. S. C., Supp.  
II, § 291g.  
*Ante*, p. 899.

#### FILING OF APPLICATIONS

SEC. 8. Section 625 (a) of such Act is amended to read as follows:  
"(a) For each project for construction pursuant to a State plan approved under this part, there shall be submitted to the Surgeon General through the State agency an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such application shall set forth (1) a description of the site for such project; (2) plans and specifications therefor in accordance with the regulations prescribed by the Surgeon General under section 622 (e); (3) reasonable assurance that title, as defined in section 631 (j), to such site is or will be vested in one or more of the agencies filing the application or in a public or other nonprofit agency which is to operate the hospital; (4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed; (5) reasonable assurance that the rates of pay for laborers and mechanics engaged in construction of the project will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended; and (6) a certification by the State agency of the Federal share for the project. The Surgeon General shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Surgeon General finds (A) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing rates of wages; (B) that the plans and specifications are in accord with the regulations prescribed pursuant to section 622; (C) that the application is in conformity with the State plan approved under section 623 and contains an assurance that in the operation of the hospital there will be compliance with the applicable requirements of the State plan and of the regulations prescribed under section 622 (f) regarding the provision of facilities without discrimination on account of race, creed, or color, and for furnishing needed hospital facilities for persons unable to pay therefor, and with State standards for operation and maintenance; and (D) that it has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the regulations prescribed pursuant to section 622 (d). No application shall be disapproved until the Surgeon General has afforded the State agency an opportunity for a hearing."

60 Stat. 1045.  
42 U. S. C. § 291h (a).

60 Stat. 1043.  
42 U. S. C. § 291e (e).  
*Post*, p. 902.

49 Stat. 1011.  
40 U. S. C. §§ 276a-  
276a-6; Supp. II,  
§ 276a-5 note.  
Approval.

60 Stat. 1042, 1043.  
42 U. S. C. §§ 291e,  
291f; Supp. II, § 291f.  
*Ante*, p. 899.

60 Stat. 1043.  
42 U. S. C. § 291e (f).

60 Stat. 1043.  
42 U. S. C. § 291e (d).  
Hearing.

#### DEFINITIONS

SEC. 9. (a) Subsection (g) of section 631 of such Act is amended to read as follows:

"(g) the term 'nonprofit hospital' means any hospital which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;".

60 Stat. 1047.  
42 U. S. C. § 291i (g).

"Nonprofit hospi-  
tal."



(b) Such section is further amended by striking out "and" at the end of paragraph (h), by striking out the period at the end of paragraph (i) and inserting in lieu thereof a semicolon, and by inserting after paragraph (i) the following new paragraphs:

"Title."

"(j) the term 'title', when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Surgeon General finds sufficient to assure for a period of not less than fifty years undisturbed use and possession for the purposes of construction and operation of the project;

"Federal share."

"(k) the term 'Federal share' with respect to any project means the proportion of the cost of construction of such project to be paid by the Federal Government under part C. In the case of any project approved prior to the effective date of this subsection, the Federal share shall be  $33\frac{1}{3}$  per centum of the cost of construction of such project. In the case of any project approved on or after the effective date of this subsection, the Federal share shall be determined as follows:

*Ante*, p. 899.

"(1) if the State plan, as of the date of approval of the project application, contains standards approved by the Surgeon General pursuant to section 623 (e), the Federal share with respect to such project shall be determined by the State agency in accordance with such standards;

Notification to Surgeon General.

"(2) if the State plan does not contain such standards, the Federal share shall be the amount (not less than  $33\frac{1}{3}$  per centum and not more than either  $66\frac{2}{3}$  per centum or the State's allotment percentage, whichever is the lower) established by the State agency for all projects in the State: *Provided*, That prior to the approval of the first project in the State during any fiscal year, the State agency shall give to the Surgeon General written notification of the Federal share established under this paragraph for projects in such State to be approved by the Surgeon General during such fiscal year, and the Federal share for projects in such State approved during such fiscal year shall not be changed after such approval."

#### EFFECTIVE DATE

SEC. 10. This Act shall take effect upon the date of its enactment.  
Approved October 25, 1949.

#### [CHAPTER 723]

#### AN ACT

October 25, 1949  
[S. 1232]  
[Public Law 381]

To increase the allowance for equipment maintenance of rural carriers by 1 cent per mile per day for each scheduled mile or major fraction thereof.

Postal Service.  
59 Stat. 456.  
39 U. S. C., Supp.  
II, § 867 (e).

Equipment maintenance for rural carriers.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (e) of section 17 of the Act of July 6, 1945, as amended (Public Law 134, Seventy-ninth Congress), is amended to read as follows:

"(e) In addition to the salaries provided in this section, each carrier in the rural delivery service shall be paid for equipment maintenance a sum equal to 8 cents per mile per day for each mile or major fraction of a mile scheduled. Payments for equipment and maintenance as provided herein shall be at the same periods and in the same manner as payments for regular compensation to rural carriers."