

## Public Law 88-128

## AN ACT

September 23, 1963  
[H. R. 5781]

To amend the Act of August 1, 1939, to provide that professional nurses shall be registered as staff officers in the United States Merchant Marine, and for other purposes.

U. S. Merchant  
Marine.  
Nurses, registra-  
tion.

53 Stat. 1146.  
46 USC 243.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the first sentence of the Act entitled "An Act to provide for the registry of pursers and surgeons as staff officers on vessels of the United States, and for other purposes", approved August 1, 1939 (46 U.S.C., sec. 242), is amended by striking out "and (5) surgeon" and inserting in lieu thereof "(5) surgeon, and (6) professional nurse".

(b) Section 2 of such Act of August 1, 1939, is amended by striking out the last sentence and inserting in lieu thereof the following: "Applicants for registry as surgeon or professional nurse shall be required to possess a valid license as physician and surgeon or registered nurse, respectively, issued under the authority of a State or territory of the United States, the Commonwealth of Puerto Rico, or the District of Columbia."

Approved September 23, 1963.

## Public Law 88-129

## AN ACT

September 24, 1963  
[H. R. 12]

To increase the opportunities for training of physicians, dentists, and professional public health personnel, and for other purposes.

Health Profes-  
sions Educational  
Assistance Act of  
1963.

*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 "Health Professions Educational Assistance Act of 1963".

GRANTS FOR CONSTRUCTION OF MEDICAL, DENTAL, PHARMACEUTICAL, OPTOMETRIC, PODIATRIC, NURSING, OSTEOPATHIC, AND PUBLIC HEALTH TEACHING FACILITIES

70 Stat. 717-  
721.  
42 USC 292-  
2921.

SEC. 2. (a) Title VII of the Public Health Service Act (42 U.S.C. chap. 6A) is amended by inserting "AND TEACHING" after "RESEARCH" in the heading thereof, by inserting "AND TRAINING OF PROFESSIONAL HEALTH PERSONNEL" after "FACILITIES" in such heading, and by inserting immediately below such heading "PART A—GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES", and by changing the words "this title" wherever they appear in such title to read "this part".

(b) Such title is further amended by adding at the end thereof the following:

"PART B—GRANTS FOR CONSTRUCTION OF TEACHING FACILITIES FOR MEDICAL, DENTAL, AND OTHER HEALTH PERSONNEL

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 720. There are hereby authorized to be appropriated over a period of three fiscal years, beginning with the fiscal year ending June 30, 1964, not to exceed the following amounts—

"(1) \$105,000,000 in the aggregate for grants to assist in the construction of new teaching facilities for the training of physicians,

pharmacists, optometrists, podiatrists, nurses, or professional public health personnel, of which not more than \$15,000,000 may be available for grants before July 1, 1964, and not more than \$60,000,000 in the aggregate may be available for grants before July 1, 1965;

“(2) \$35,000,000 in the aggregate for grants to assist in the construction of new teaching facilities for the training of dentists, of which not more than \$5,000,000 may be available for grants before July 1, 1964, and not more than \$20,000,000 in the aggregate may be available for grants before July 1, 1965; and

“(3) \$35,000,000 in the aggregate for replacement or rehabilitation of existing teaching facilities for the training of physicians, pharmacists, optometrists, podiatrists, nurses, professional public health personnel, or dentists, of which not more than \$5,000,000 may be available for grants before July 1, 1964, and not more than \$20,000,000 in the aggregate may be available for grants before July 1, 1965.

If and to the extent the Surgeon General determines such action will better carry out the objectives of this part, the limitations on the amounts available for grants before July 1, 1964, under any paragraph of this section shall be decreased and the limitation on the amount so available under any other paragraph of this section shall be correspondingly increased; and the amounts appropriated for the fiscal year ending June 30, 1964, under each of such paragraphs shall be similarly adjusted by transfer between them. In applying the dollar limitations of each of those paragraphs for the three-year period ending June 30, 1966, any amount appropriated under any such paragraph but transferred under the preceding sentence to the appropriation under another paragraph shall be deemed to have been appropriated only under such other paragraph.

#### “APPROVAL OF APPLICATIONS

“SEC. 721. (a) No application for a grant under this part may be approved unless it is submitted to the Surgeon General prior to July 1, 1965.

“(b) (1) To be eligible to apply for a grant to assist in the construction of any facility under this part, the applicant must be (A) a public or other nonprofit school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or public health and (B) accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, except that a new school which (by reason of no, or an insufficient, period of operation) is not, at the time of application for a grant to construct a facility under this part, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this part if the Commissioner of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will, upon completion of such facility, meet the accreditation standards of such body or bodies.

“(2) Notwithstanding paragraph (1), in the case of an affiliated hospital, an application which is approved by the school of medicine or school of osteopathy with which the hospital is affiliated and which otherwise complies with the requirements of this part may be filed by any public or other nonprofit agency qualified to file an application under section 625.

“(3) In the case of any application, whether filed by a school or, in the case of an affiliated hospital, by any other public or other nonprofit agency, for a grant under this part to assist in the construction of a facility which is a hospital as defined in section 631—

60 Stat. 1045.  
42 USC 291h.

42 USC 291i.

"(A) if the facility is needed in connection with a new school, only that portion of the project to construct the facility which the Surgeon General determines to be reasonably attributable to the need of such school for the facility for teaching purposes,

"(B) if the construction is in connection with expansion of the training capacity of an existing school, only that portion of the project to construct the facility which the Surgeon General determines to be reasonably attributable to the need of such school for the facility in order to expand its training capacity,

"(C) if the construction is in connection with renovation or rehabilitation of facilities used by an existing school, only that portion of the project which the Surgeon General determines to be reasonably attributable to the need of such school for the facilities in order to prevent curtailment of enrollment or quality of training of the school,

shall be regarded as the project with respect to which payments may be made under section 722.

"(c) A grant under this part may be made only if the application therefor is approved by the Surgeon General upon his determination that—

"(1) the applicant meets the eligibility conditions set forth in subsection (b);

"(2) the application contains or is supported by reasonable assurances that (A) for not less than ten years after completion of construction, the facility will be used for the purposes of the teaching for which it is to be constructed, (B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed, and (D) in the case of an application for construction to expand the training capacity of an existing school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or public health, the first-year enrollment at such school during the first full school year after the completion of the construction and for each of the next nine school years thereafter will exceed the highest first-year enrollment at such school for any of the five full school years preceding the year in which the application is made by at least 5 per centum of such highest first-year enrollment, or by five students, whichever is greater;

"(3) (A) in the case of an application for a grant from funds appropriated pursuant to clause (1) of section 720, such application is for aid in the construction of a new school of medicine, osteopathy, pharmacy, optometry, podiatry, nursing, or public health, or construction which will expand the training capacity of an existing school of medicine, osteopathy, pharmacy, optometry, podiatry, nursing, or public health, (B) in the case of an application for a grant from funds appropriated pursuant to clause (2) of such section, such application is for aid in the construction of a new school of dentistry or construction which will expand the capacity of an existing school of dentistry, or (C) in the case of an application for a grant from funds appropriated pursuant to clause (3) of such section, such application is for aid in construction which will replace or rehabilitate facilities of, or used by, an existing school of medicine, dentistry, pharmacy, optometry, podiatry, nursing, osteopathy, or public health which are so obsolete as to require the school to curtail substantially either its enrollment or the quality of the training provided;

"(4) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment;

"(5) the application contains or is supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5). The Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c); and

"(6) if the application requests aid in construction of a facility which is a hospital or diagnostic or treatment center, as defined in section 631, an application with respect thereto has been filed under title VI and has been denied thereunder because (A) the project has no or insufficient priority, or (B) funds are not available for the project from the State's allotments under title VI.

49 Stat. 1011.

5 USC 133z-15 note.

63 Stat. 108.

60 Stat. 1046.

42 USC 2911.

60 Stat. 1041-

1049.

42 USC 291-

291z.

Before approving or disapproving an application under this part, the Surgeon General shall secure the advice of the National Advisory Council on Education for Health Professions established by section 725 (hereinafter in this part referred to as the 'Council').

"(d) In considering applications for grants, the Council and the Surgeon General shall take into account—

"(1) (A) in the case of a project for a new school or for expansion of the facilities of, or used by, an existing school, the relative effectiveness of the proposed facilities in expanding the capacity for the training of first-year students of medicine, dentistry, pharmacy, optometry, podiatry, nursing, or osteopathy (or, in the case of a two-year school which is expanding to a four-year school, expanding the capacity for four-year training of students in the field), or for the training of professional public health personnel, and in promoting an equitable geographical distribution of opportunities for such training (giving due consideration to population, available physicians, pharmacists, optometrists, podiatrists, nurses, dentists, or professional public health personnel, and available resources in various areas of the Nation for training such persons); or

"(B) in the case of a project for replacement or rehabilitation of existing facilities of, or used by, a school, the relative need for such replacement or rehabilitation to prevent curtailment of the school's enrollment or deterioration of the quality of the training provided by the school, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training (giving consideration to the factors mentioned above in paragraph (A)); and

"(2) in the case of an applicant in a State which has in existence a State planning agency, or which participates in a regional or other interstate planning agency, described in section 728, the relationship of the application to the construction or training program which is being developed by such agency with respect to such State and, if such agency has reviewed such application, any comment thereon submitted by such agency.



## "AMOUNT OF GRANT; PAYMENTS

"SEC. 722. (a) (1) Except as provided in paragraph (2) of this subsection, the amount of any grant under this part shall be such amount as the Surgeon General determines to be appropriate after obtaining the advice of the Council; except that (A) in the case of a grant for a project for a new school, and in the case of a grant for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, such amount may not exceed 66 $\frac{2}{3}$  per centum of the necessary cost of construction, as determined by the Surgeon General, of such project; and (B) in the case of any other grant, such amount may not exceed 50 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.

"(2) The amount of any grant under this part for construction of a project with respect to a school of public health shall be such amount as the Surgeon General determines to be appropriate after obtaining the advice of the Council, and may not exceed 75 per centum of the necessary cost of construction, as determined by the Surgeon General, of such project.

"(b) Upon approval of any application for a grant under this part, the Surgeon General shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a); the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress, as the Surgeon General may determine. The Surgeon General's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

"(c) In determining the amount of any grant under this part, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained, or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this part, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

## "RECAPTURE OF PAYMENTS

"SEC. 723. If, within ten years after completion of any construction for which funds have been paid under this part—

"(a) the applicant or other owner of the facility shall cease to be a public or nonprofit school or, in case the facility was an affiliated hospital, the applicant or other owner of the facility ceases to be a public or other nonprofit agency qualified to file an application under section 625, or

"(b) the facility shall cease to be used for the teaching purposes for which it was constructed (unless the Surgeon General determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so),

"(c) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

## "DEFINITIONS

"SEC. 724. As used in this part—

"(1) The terms 'construction' and 'cost of construction' include (A) the construction of new buildings, the expansion of existing buildings, and remodeling, replacement, renovation, major repair (to the extent permitted by regulations), or alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land or offsite improvements, and (B) initial equipment of new buildings and of the expanded, remodeled, repaired, renovated, or altered part of existing buildings; but such term shall not include the construction or cost of construction of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship;

"(2) The term 'nonprofit school' means a school owned and operated by one or more 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;

"(3) The term 'affiliated hospital' means a hospital, as defined in section 631, which is not owned by, but is affiliated (to the extent and in the manner determined in accordance with regulations) with, a school of medicine or school of osteopathy which meets the eligibility conditions set forth in section 721(b)(1);

42 USC 2911.

"(4) The terms 'school of medicine', 'school of dentistry', 'school of osteopathy', 'school of pharmacy', 'school of optometry', 'school of podiatry', and 'school of public health' mean a school which provides training leading, respectively, to a degree of doctor of medicine, a degree of doctor of dentistry or an equivalent degree, a degree of doctor of osteopathy, a degree of bachelor of science in pharmacy or doctor of pharmacy, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or doctor of surgical chiropody, and a graduate degree in public health; and

"(5) The term 'school of nursing' means a department, school, division, or other administrative unit, in a college or university, which provides, primarily or exclusively, a program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or other baccalaureate degree of equivalent rank; or to a graduate degree in nursing.

## "NATIONAL ADVISORY COUNCIL ON EDUCATION FOR HEALTH PROFESSIONS

"SEC. 725. (a) There is hereby established in the Public Health Service a National Advisory Council on Education for Health Professions, consisting of the Surgeon General of the Public Health Service, who shall be Chairman, and the Commissioner of Education, both of whom shall be ex officio members, and sixteen members appointed by the Secretary without regard to the civil service laws. Four of the appointed members shall be selected from the general public and twelve shall be selected from among leading authorities in the fields of higher education, at least eight of whom are particularly concerned with training in medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or the public health professions. In selecting persons for appointment to the Council, consideration shall be given to such factors, among others, as (1) experience in the planning, constructing, financing, or administration of schools of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or schools of public health, and (2) familiarity with the need for teaching facilities in all areas of the Nation.

"(b) The Council shall advise the Surgeon General in the preparation of general regulations and with respect to policy matters arising

in the administration of this part, and in the review of applications thereunder.

"(c) The Surgeon General is authorized to use the services of any member or members of the Council in connection with matters related to the administration of this part, for such periods, in addition to conference periods, as he may determine. The Surgeon General shall, in addition, make appropriate provision for consultation between and coordination of the work of the Council and the National Advisory Council on Health Research Facilities with respect to matters bearing on the purposes and administration of this part.

"(d) Appointed members of the Council, while attending conferences or meetings of the Council or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding \$50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

60 Stat. 810.

#### "NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

"SEC. 726. Nothing contained in this part shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any institution.

#### "REGULATIONS

"SEC. 727. (a) The Surgeon General, after consultation with the Council and with the approval of the Secretary, shall prescribe general regulations for this part covering the eligibility of institutions, the order of priority in approving applications, the terms and conditions for approving applications, determinations of the amounts of grants, and minimum standards of construction and equipment for various types of institutions.

"(b) The Surgeon General is authorized to make, with the approval of the Secretary, such other regulations as he finds necessary to carry out the provisions of this part.

#### "TECHNICAL ASSISTANCE

"SEC. 728. In carrying out the purposes of this part, and to further the development of State, or joint or coordinated regional or other interstate, planning of programs for relieving shortages of training capacity in the fields of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, and public health, through constructing teaching facilities, providing adequate financial support for schools, or otherwise, the Surgeon General is authorized to provide technical assistance and consultative services to State or interstate planning agencies established for any of such purposes.

#### "PART C—STUDENT LOANS

##### "LOAN AGREEMENTS

"SEC. 740. (a) The Secretary of Health, Education, and Welfare is authorized to enter into an agreement for the establishment and operation of a student loan fund in accordance with this part with any public or other nonprofit school of medicine, osteopathy, or dentistry

(as defined in section 724) which is located in a State and is accredited as provided in section 721(b)(1)(B).

“(b) Each agreement entered into under this section shall—

“(1) provide for establishment of a student loan fund by the school;

“(2) provide for deposit in the fund of (A) the amounts allocated under this part to the school by the Secretary, (B) an additional amount from other sources equal to not less than one-ninth of amounts deposited pursuant to clause (A), (C) collections of principal and interest on loans made from the fund, and (D) any other earnings of the fund;

“(3) provide that the fund shall be used only for loans to students of the school in accordance with the agreement and for costs of collection of such loans and interest thereon;

“(4) provide that loans may be made from such fund only to students pursuing a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, or doctor of osteopathy, and that while the agreement remains in effect no such student who has attended such school before July 1, 1966, shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958; and

“(5) contain such other provisions as are necessary to protect the financial interests of the United States.

72 Stat. 1584.  
20 USC 424.

#### “LOAN PROVISIONS

“SEC. 741. (a) Loans from a loan fund established under this part may not exceed \$2,000 for any student for any academic year or its equivalent. In the granting of such loans, a school shall give preference to persons who enter as first-year students after June 30, 1963.

“(b) Any such loans shall be made on such terms and conditions as the school may determine, but may be made only to a student in need of the amount thereof to pursue a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, or doctor of osteopathy.

“(c) Such loans shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins three years after the student ceases to pursue a full-time course of study at a school of medicine, osteopathy, or dentistry, excluding from such ten-year period all periods (up to three years) of (1) active duty performed by the borrower as a member of a uniformed service, or (2) service as a volunteer under the Peace Corps Act.

“(d) The liability to repay the unpaid balance of such a loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently and totally disabled.

“(e) Such loans shall bear interest, on the unpaid balance of the loan, computed only for periods during which the loan is repayable, at the rate of 3 per centum per annum, or the going Federal rate at the time the loan is made, whichever rate is the greater. For purposes of this subsection, the term ‘going Federal rate’ means the rate of interest which the Secretary of the Treasury specifies during June of each year for purposes of loans made during the fiscal year beginning on the next July 1, determined by estimating the average yield to maturity, on the basis of daily closing market quotations or prices during the preceding May on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May, and by rounding off such

75 Stat. 612.  
22 USC 2501  
note.



estimated average annual yield to the next higher multiple of one-eighth of 1 per centum.

"(f) Loans shall be made under this part without security or endorsement, except that if the borrower is a minor and the note or other evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required.

"(g) No note or other evidence of a loan made under this part may be transferred or assigned by the school making the loan except that, if the borrower transfers to another school participating in the program under this part, such note or other evidence of a loan may be transferred to such other school.

"(h) Where all or any part of a loan, or interest, is canceled under this section, the Secretary shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

#### "AUTHORIZATION OF APPROPRIATIONS

"SEC. 742. (a) There are hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare to carry out this part \$5,100,000 for the fiscal year ending June 30, 1964, \$10,200,000 for the fiscal year ending June 30, 1965, \$15,400,000 for the fiscal year ending June 30, 1966, and such sums for the fiscal year ending June 30, 1967, and each of the two succeeding fiscal years as may be necessary to enable students who have received a loan for any academic year ending before July 1, 1966, to continue or complete their education. Sums appropriated pursuant to this subsection shall be allotted among loan funds at schools which have established loan funds under this part.

"(b) (1) The Secretary shall from time to time set dates by which schools with which he has in effect agreements under this part must file applications for allotments to their loan funds.

"(2) If the total of the amounts requested for any fiscal year in such applications exceeds the amounts appropriated under this part for that fiscal year, the allotment to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application or (B) an amount which bears the same ratio to the amounts appropriated as the number of students estimated by the Secretary to be enrolled in such school during such fiscal year bears to the estimated total number of students in all such schools during such year. Amounts remaining after allotment under the preceding sentence shall be reallocated in accordance with clause (B) of such sentence among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund from exceeding the total so requested by it.

"(3) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

#### "DISTRIBUTION OF ASSETS FROM LOAN FUNDS

"SEC. 743. (a) After June 30, 1969, and not later than September 30, 1969, there shall be a capital distribution of the balance of the loan fund established under this part by each school as follows:

"(1) The Secretary shall first be paid an amount which bears the same ratio to the balance in such fund at the close of June 30, 1969, as the total amount of the allotments to such fund

by the Secretary under this part bears to the total amounts in such fund derived from such allotments and from funds deposited therein pursuant to section 740(b)(2)(B).

"(2) The remainder of such balance shall be paid to the school.

"(b) After September 30, 1969, each school with which the Secretary has made an agreement under this part shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after June 30, 1969, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement as was determined for the Secretary under subsection (a).

#### "LOANS TO SCHOOLS

"SEC. 744. Upon application by any school with which he has made an agreement under this part, the Secretary may make a loan to such school for the purpose of helping to finance deposits required by section 740(b)(2)(B) in a loan fund established pursuant to such agreement. Such loan may be made only if the school shows it is unable to secure such funds upon reasonable terms and conditions from non-Federal sources. Loans made under this section shall bear interest at a rate sufficient to cover (1) the cost of the funds to the Treasury, (2) the cost of administering this section, and (3) probable losses.

#### "ADMINISTRATIVE PROVISIONS

"SEC. 745. The Secretary may agree to modifications of agreements or loans made under this part, and may compromise, waive, or release any right, title, claim, or demand of the United States arising or acquired under this part."

SEC. 3. (a) Section 705(c) of the Public Health Service Act is amended by striking out "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof "and", and by adding after paragraph (3) the following new paragraph:

70 Stat. 718.  
42 USC 292d.

"(4) the application contains or is supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5). The Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c)."

49 Stat. 1011.

5 USC 133z-15  
note.  
63 Stat. 108.

(b) Part A of title VII of such Act is further amended by inserting after section 710 the following new section:

42 USC 292-  
292i.

#### "TECHNICAL ASSISTANCE

"SEC. 711. The Surgeon General is authorized to provide assistance to applicants under this part, and other public or nonprofit institutions engaging or competent to engage in research, or research and related purposes, in the sciences related to health, in designing and planning the construction of facilities for the conduct of such research or research and related purposes."

Approved September 24, 1963.